The World's Daily Newspaper

London, Tuesday, July 21, 1998

In Papua New Guinea, A Sea of Devastation

Final Toll of 3,000, Mostly Children, Is Feared

By Paul McGeough Sydney Morning Herald

VANIMO, Papua New Guinea - It looks as if a giant comb has been dragged across the landscape. Felled trees he nearly in a north-south line with clumps of roofing iron wrapped around those still standing. Steel bridges have been ripped from their

Around Sissano Lagoon, gonged earth has been smoothed like a new concrete slab by the sweeping, swirling water — except for the graves, ngly interruptions that have been made wherever the bodies have been found.

There are now fears that the death: toll from the tidal waves that obliterated this necklace of villages in northern Papua New Guinea last Friday evening will reach 3,000 in the two or three months it will take to trawl the beaches, the lagoon and the islands.

On Monday, as the official body count reached 705, the villagers pleaded to be arrifted to safety. Aftershocks from the massive earthquake that triggered the tsunamis continued to shake the ground.

Prime Minister Bill Skate declared a state of national disaster and said he would travel inland to comfort those who fled to high ground. "Mostly I'm" going to share their tears," he said as he moved around what was left of

Sissano, one of the worst-hit villages. The hundreds of graves are numbing, but more grotesque is the number of bodies floating in the lagoon snap-frozen in terror, many of them still holding the running pose they had when they were struck down.

Others are spread-eagled among the mangoes or hidden in the lumber that was their homes but has now been reduced to matchstick-muddles, moving nowhere on the tide.

The most saddening thing is that 70 percent of the survivors have been

adults. Most of the children are dead," said a Catholic priest, the Reverend Austen Crapp, as Australian medical teams joined an international mission to save the thousands of injured.

Young children were too weak to escape the three tidal waves, the largest of which towered 10 meters, that

smashed ashore early Priday evening.
"What chance would a 2-year-old or 3-year-old child have — it wipes out everything, destroys everything, bounces people off trees, off obstacles, bowls them into the lagoon, before it turns, rushing back out to sea," Father Crapp said. "The children may be hiding somewhere; we hope so. But the fear is that they have drowned."

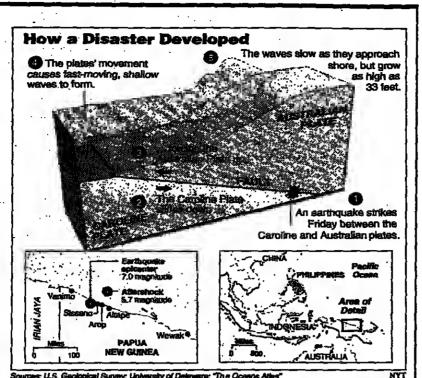
There is little ceremony for the dead. hat at the care station established at the other end of the village, each of the injured, who huddle under canvas, clutches a piece of paper with big black lettering: 'Death Certificate.'' There was nothing else on which to write their condition before they were to be transported by helicopter to hospitals at Wewak and Vanimo.

One of the survivors, an old woman named Maria, sat straight-backed and cross-legged as she was bandaged and medicated, all the time clutching a 'death certificate' that read: "Bump on head, lacerations to back of right ear, pains in chest and back.'

While the villagers wait, they are dazed, shocked. Some hold tightly to their military issue biscuits and talk quietly among themselves. Others have passed out.

■ Emergency Aid Arrives

The first of three Royal Australian Air Force C-130 cargo planes arrived at Vanimo on Monday with emergency supplies, including a field hospital and 100 doctors, nurses and engineers, The Associated Press reported. New Zealand was sending relief supplies and a medical team.





An injured child being evacuated Monday in northwestern Papua New Guinea, where huge relief efforts for tsunami victims got under way.

Hong Kong in Grip Of Deepening Slump

Jobless Rate Jumps to Highest Level Since '83

By Philip Segal

HONG KONG - Unemployment rose to a 15-year high of 4.5 percent here in April through June, the government said Monday, confirming that Hong Kong was in the grip of a recession that has swept across much of Asia and is unlikely to go away soon.

"The impact of the Asian financial crisis is much more widespread and protracted for the whole region than anyone could have expected," said Donald Tsang, the Hong Kong financial secretary. "Things are likely to get worse before they get better. We have to face up to this unpleasant reality.'

The unemployment statistics, showing the fifth monthly increase in a row - from 4.1 percent in the March-May period — add to a depressing array of economic numbers reported in recent

The economy is shrinking, down hy about 2 percent in the first quarter of the year, compared with a year earlier, according to government estimates, Retail sales have fallen off a cliff, dropping 14.7 percent in April, compared with

As he was touring the city's new, problem-plagued airport Monday, the Hong Kong chief executive, Tung

Chee-hwa, said the economy shrank again in the second quarter, which would confirm that the downturn now meets economists' definition of a re-cession. He did not specify how much it had contracted.

Last week, the government said cargo problems at the two-week-old Hong Kong International Airport could cause the economy to shrink hy an extra 0.3 percent this year, though the total cost may well be higher. Mr. Tsang's orig-inal price tag for the cargo chaos had been just 0.1 percent of gross domestic

As the economy slows, companies continue to lay off workers. The number of unemployed has doubled since early last autumn, to 144,000, in a population of 6 million.

'There isn't any light at the end of the tunnel on unemployment," Enzio von Pfeil, chief economist at Clarion Securities Asia Ltd. told Bloomberg News. "Why should companies hire when there is no sign their earnings are going to improve?"

The last time the johless rate was higher - 5.2 percent - was in 1983, when Hong Kong was suffering the pains of a political crisis brought on by the announcement that its British rulers

See HONG KONG, Page 10

Indonesia's Debacle Pulls Children Out of Schools

20% of Nation's Pupils Are No Longer in Class

By Michael Richardson

ROKOY, Indonesia - Like many other Indonesian parents, Mohammed Ilyas and his wife, Noni, face an agonizing choice. They must decide whether to keep two of their sons and a daughter in school or take them

After Indonesia's currency, the rupiah, collapsed, millions of Indonesians lost their jobs. Early this year Mr. Ilyas became one of them. He was dismissed after eight years as a casual laborer in Tanjok Priok, the port of Jakarta, 120 kilometers (75 miles) northeast of Rokoy, his village.

With that job went a monthly income that averaged 300,000 rupiah (now about \$23), which was just enough to house, feed, clothe and educate his six

Mr. Ilyas was given no severance pay. When he returned home he found that job prospects in the area were even

bleaker than in the capital. "I'm doing odd jobs as a driver, laborer or whatever else I can get here." he said. "But I'm earning much less than I was in Jakarta, and it's not steady

Mr. Ilvas's wife has a small shop in the village. She sells food and hardware. "The income from that helps a hit," he

To keep his children in the Banjar Dua government school this year, he will need the equivalent of at least two months' income at his former pay

"Right now, we've registered our three children in this school. But if we

don't get financial help from somewhere, we will have to remove them because we can't afford to pay the fees and we need the kids to help supplement our income.

Indonesia is the fourth most populous country in the world. It has a work force of about 90 million people. At least 20 million of them are expected to lose their jobs in the next 12 months.

In the same 12 months the government expects the number of people living below the official poverty line to increase to nearly 96 million, almost half of the population.

Many parents have already been forced to take their children out of school. The education and culture minister, Juwono Sudarsono, estimates that

See INDONESIA, Page 10

	The Dollar	
New York	Monday @ 4 P.M.	previous dose
DM	1.7818	1.78
Yen	138.825	139.5
FF	5.975	5.965
Pound Oakers per por	1.6478 and	1.645
10.1	The Dow	
-	Monday close	percent change
- 42.22	9,295.75	- 0.45%
*	S&P 500	
- 2.65	1,184.10	0.22%
4	Nasdaq	
+ 5.49	2.014.25	+ 0.27%

Europe Shunning Genetically Engineered Crops

Reluctance Threatens Other Industries

By Michael Specter New York Times Service

DALLIKON, Switzerland - Like his father and grandfather before him, Kaspar Gunthardt is a man of the soil. He lives in the solid old farmhouse where he was born, and he has worked the rich earth around it for most of his 52

He is a traditionalist who has neventheless embraced the future, equipping his farm with modern technology. even displaying his cattle on the In-ternet. But when it comes to playing with the rules of nature, be draws the line, and neither he nor Switzerland is

From one end of Europe to the other, consumers are in open revolt over the prospect of a future in which nature has somehow been altered by people holding test tubes.

Throughout the world last year more than 12.1 million hectares (361 million acres) of commercial farmland were planted with genetically modified seeds - 10 times as much as the year before. But none of that land was in the 15

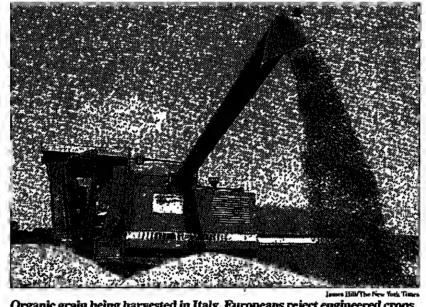
Mr. Gunthardt owns a sophisticated cooling system for storing dairy products. He recycles waste to fuel his farm, and cameras strapped to beams in his barn are connected to the Internet, putting the personal habits of his cattle on electronic display around the world (http://naturaplan.coop.ch).

countries of the European Union.

But when it comes to genetic en-gineering. Mr. Gunthardt draws a line that he says he will never cross.

"There is some sickness spreading across Europe right now," he said, striding quickly through an 8-hectare

See PLANTS, Page 7



Organic grain being harvested in Italy. Europeans reject engineered crops.

Dead Men Tell Grisly Tales

Atrocities in Guatemala's Civil War Are Bared

By Molly Moore

BELEN, Guatemala - Skuli by cracked skull, rih hy splintered rib, the bones of Guatemala's dead are exposing a past the living long feared to bare.

In a dusty pit behind a former military post in this southern Guatemalan farm settlement, the dirt-encrusted remains of a man who disappeared two decades ago recently revealed his story for the first time to a team of forensic anthropologists excavating history with shovels and brushes.
Hands trussed behind his back, the

an was shot and stuffed into a hole fith three other victims, one atop the other. Assailants then sprayed the bodies with the 5.56mm bullets used in the M-16 rifles that are standard issue for the Guatemalan Army.

Let the evidence — let the bones

talk," said Fredy Peccerelli, 27, of the Guatemalan Forensic Anthropology

Bahrain	Newssta	nd Prices
Yuwait	Cyprus	Nigeria 1250 Natra Oman

Foundation, which is chronicling 36 years of arrocities during the civil war, nsing the crushed skulls, bullet fragments and machete-severed spinal columns that were exhumed from dozens of clandestine graves across Guatemala. "We're only translating what the bones are saying," he said.

The tales that the bones tell are re-

writing modern Guatemalan history and propelling the nation into its first public discussion of an era that was of such savage persecution and terror - largely at the hands of government forces that an entire generation of Guatem-alans considered the events to be almost unspeakable, even within their own

At dozens of massacre sites, and in thousands of interviews with war survivors willing for the first time to describe the murders and disappearances they witnessed, Guatemala is confronting its brutal past.
Many Guatemalans are looking at the

painful public airing as the first step toward healing the wounds that were inflicted by a war in which human rights organizations estimate 100,000 people were killed and 40,000 more disap-

Most of those killed were noncom-

"The book of Guatemalan history has blank pages," said Edmond Mulet, an opposition politician who served as Guatemala's ambassador to the United States during the final years of the civil war, which ended with the signing of peace agreements some 19 months ago. "It's important to fill the pages, to

See GUATEMALA, Page 10

AGENDA

Nigeria Elections Promised for Early 1999

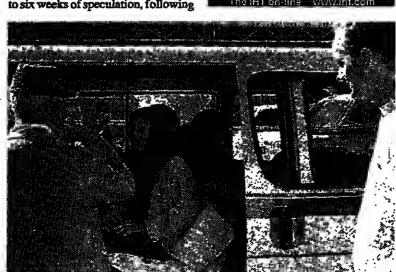
of Nigeria will hand over power to an elected civilian president on May 29, 1999, the country's military ruler said

"After all necessary consultations, government has decided that the election of a civilian president will be held in the first quarter of 1999," said Gen-eral Abdulsalam Abubakar in a speech broadcast to the nation. "The new elected president will be sworn into office on the 29th of May, 1999."

General Abubakar's announcement of a date for the military to transfer power to civilians put an end to six weeks of speculation, following

ABUJA, Nigeria (Combined Dis-patches) — The military government Sani Abacha. The military leader had already released dozens of detainees. The most prominent detainee, Moshood Abiola, died in prison of apparent heart disease this month. His death sparked several days of riot-Earlier article, Page 7

> Page 10. Pages 8-9. Pages 18-19. The Intermarket Page 4.



KABUL EXODUS — Workers at a foreign aid agency leaving Kabul on Monday. The Taleban has shut the offices of 35 agencies. Page 4.

Bold Leaders Elude Japan

System Produces Colorless, Weak Prime Ministers

By Nicholas D. Kristof New York Times Service

TOKYO - As Washington yearns for a forceful new prime minister to emerge in Japan and take charge of the economy, history suggests that is not

very likely.
Over the decades and centuries, Japan has had good rulers and bad rulers, hut only rarely has it had a strong leader. The last leader who really reshaped Ja-pan was arguably leyasu Tokugawa, who lived four centuries ago.

Even many Japanese speak wistfully of the need for a bold leader who could force through measures to revive the economy, end fears of a Japanese recession setting off a global downturn and restore the nation's self-confidence. But most also say that is simply not how this country works.

This week the elders of the Liberal Democratic Party will be hargaining furiously among themselves to choose a new prime minister to replace Ryutaro Hashimoto, who resigned July 20 after the party's disastrous performance in parliamentary elections.

But whoever is chosen seems likely to be another in the line of colorless prime ministers who have presided in recent years and left little impression on their country or the world. Other societies around Japan — China, South Korea, Taiwan, Indonesia, the Philippines - have frequently produced vigorous rulers tugging their people this way or that, but not Japan. Japan remains a consensus soci-

ety," said Yoshio Hatano, a former representative to the United Nations. "We may have had strong leaders in the past in some cases - I can think of a couple - hut they were not very successful. The consensus makers were rather more successful as prime ministers."

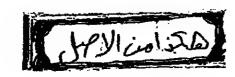
Early in his career, Mr. Hatano was an assistant to the strongest postwar prime minister of Japan, Shigeru Yoshida, who governed during most of the period from 1946 to 1954.

But Mr. Hatano and others say that Mr. Yoshida was an exceptional figure whose authority was possible only in the special circumstances after World War

These days, Mr. Hatano says, a strong leader like Mr. Yoshida would never rise to prime minister or last long if he did. Forceful politicians in Japan often irritate voters as well as bureaucrats and their colleagues, the argument goes, so that in the end they are unlikely to rise to the top and unlikely to accomplish much

U.S. officials have been extremely frustrated with Mr. Hashimoto and his cahinet for failing to act decisively while Japan tumbled into a slump that is creating havoc around Asia. But Mr. Hashimoto and his cahinet were simply

See JAPAN, Page 10



Wedding Values of East and West

By Celia W. Dugger New York Times Service

TEW YORK - Vinit Sethi, a New Yorker born and bred, was wired from days of celebration in Jaipur, India, when he mounted a small white horse to ride toward bis hride. Dressed up like a Rajput prince, he nervously adjusted his golden turban and the strands of plump emeralds that bung around his neck. His wedding procession, led by a lumbering elephant, fairly floated through the horn-honking, smoke-belching traffic like some royal fantasy, trailing a band of his University of Pennsylvania buddies, mercy revelers in

University of Pennsylvania buddies, merry revelers in Western suits. Mr. Sethi, a 24-year-old investment hanker who loved night clubbing, brought up the rear, his horse prancing past mesmerized beggar children. All were bathed in the fluorescent glow of green lights held aloft by small

men in flip-flops.

His bride, a shy, hazel-eyed beauty of 20 named Anshu
Jain, was waiting poolside at the Sheraton Rajputana. They
had never kissed or held hands. She came from a family in which no woman had ever been allowed to call her husband hy his given name.

"For a wife, your husband is God," she explained. "And you don't call God by his first name."

Theirs might seem an unlikely union, this arranged marriage between the cosmopolitan American son of Indian immigrants and a sheltered Indian woman who had

never set foot in America.

For Mr. Sethi, though, the marriage was not the inevitability it had been for his immigrant parents. It was his own choice. In making that choice, he was casting his lot with a traditional way of life, one that would him more closely to his own parents and to India itself, and sustain that de into yet another generation of American children -

"I had mixed feelings with the concept," he said. "I didn't necessarily think I would go through with it. But my

reservations got pushed to the side wheo I met ber. I had an incredible feeling that this was the right thing to do."

In modern immigrant families, where the bindings between new land and homeland are stronger than ever before, the children almost inevitably, find themselves pushed and pulled between the culture and values of their parents and those of the larger American society.

Such ambiguities are perhaps never more acute than when a decision about marriage is at hand. But what emerges at defining moments like Vinit Sethi's wedding is the way many of these children search for, and find solace and grounding in, their connections to the world back

Mr. Sethi grew up in a tightly knit community of Indian gemstone merchants who, over three decades, have carved out a sizable niche in the historically Orthodox Jewish

world of the diamond district in New York City. Because of their wealth and their business ties to India, these families are among the immigrants, Indian and otherwise, most intensely connected to their bornelands. But their experience is common to immigrants from all over the world who have taken advantage of skills and contacts developed in America and back home to huild businesses

and transoceanic lives. Yet, while the parents still consider themselves Indians, their children have grown up attending American schools, going to American movies, watching American television.
Striving and amhitious, they often chafe at their parents'
expectations. Just as often, however, they say they value tile
comfort and security of their affectionate, protective fam-

Over the Christmas holidays, many of the gem merchants and their families traveled to the city of Jaipur in northwest India for the Sethi wedding. Several of the children, like Komal Pandya, a Columbia University freshman, watched the wedding with more than academic interest. They are entering their marriageable years -- and choosing arranged

marriages with open eyes.

"An American girl dates a guy and she doesn't know much about him — how he was brought up, his moral standards," Miss Pandya said. "I trust my parents to look for someone who will give me the life I've been brought up

UT THE dissonance between her American and Indian idenoties emerged as she talked about ber place in such a marriage. In one breath, she said, "'I would never set aside family for career." And in the next, she said; "I don't want my husband to be my

Just how these young Indian-Americans will seek to harmonize these clashing values remains to be seen. What is clear is that they feel little pressure to shed their ethnicity like some unwanted skin.

Shashi Sethi is a guardian of family traditions, a woman who has given her life to her husband and two sons. When the older son, Vinit, was 23, Mrs. Sethi's matchmaking instincts kicked in and she told him it was time to stop "goofing around" and marry. If he wanted to pick his own wife in the American way, she told him, that was fine—as



Vinit Sethi, right, being teased by his friends before the wedding ceremony in Jaipur, India. The New Yorker says, I always knew I'd probably end up getting married to someone who wasn't very American, because I'm not, myself, in some ways.' For Mr. Sethi, the marriage was not the inevitability it had been for his immigrant parents. It was his own choice. In making that choice, he was casting his lot with a traditional way of life, one that would bind him more closely to his own parents and to India itself.

long as the girl was a strict vegetarian.

Mr. Sethi told his mother he had no marriage plans. He had not yet decided between a match of his parents' making

or one of his own. Either way, though, "I always knew I'd probably end up getting married to someone who wasn't very American, because I'm not, myself, in some ways," he said. "There's a certain level of individualism in American relationships I

a certain level of individualism in American relationships I doo't agree with, myself."

So Mrs. Sethi quickly went into action. 'I had an agenda," she said. "I began spreading the word with friends and family in Bombay and Jaipur."

The oews that she was looking for a hride spread like wildfire. She received a package from a family friend in Dallas aboot a relative in India, Ansbu Jain. It included Miss Jain's "hio data," a kind of résumé for arranged-marriage prospects (age: 19; height: 5 feet 5 inches; complexion: fair), and an unprepossessing photo of an ansmiling young woman in a stiff pose, one arm crossed over the other.

Five months later, Mr. Sethi flew to Hyderabad to meet

"I was a little spooked by the whole situation," he acknowledged. But he told himself he could always refuse

At their first meeting, the two spoke about hobbies, school, siblings. He was charmed, hot felt he needed to know her better. But Miss Jain's family customarily allowed its daughters only a brief pre-engagement glimpse of

the men they were to wed; a girl's reputation, essential to her marriageability, had to be carefully guarded. Uobeknown to the rest of her family, Miss Jain's father decided to allow another meeting. The next day, he sent one of his drivers to pick up Mr. Sethi. During hours of talk in the hack of the car, she told him of her bare-bones needs: "A guy who's patient and who doesn't smoke or eat tobacco." He, in turn, told her about his more complex requirements: a woman with whom he connected emotionally and who shared his commitment to family.

He knew there was no chance for a third meeting. He had

He flew to Bombay the next day and waited to see if the spell would lift. It did not.

The newlyweds plan to have children in a few years, and have already decided they will speak Hindi to them. Like his parents before them, Mr. Sethi and Miss Jain will fly often to India to see her family and his, propelling their children into the back-and-forth life that knits India and America together.

In Desperate Nigeria, the Poor Turn to Churches 🐺

By Roger Cohen
New York Times Service

LAGOS — In the Lagos slum of Makoko, perched oo a lagooo, the water is black with filth.

But on Sunday the bymns and chants of the faithful rose with fervor and the white robes of many of the courchgoers glimmered in the putrid breeze.
Religion, offered in many guises, is

in a desperate Nigeria, plundered by successive military governmeots. The pigs that snuffle amid the garbage in Makoko do so beneath signs for the Redeemed Church of Christ, the Word of Life Bible Church, the Foursquare Gospel Church, the Holy Ghost Soludon Church and countless

Victor Olayiwola, an immigration of-ficial with a monthly salary of \$40, stood in spotless white robes ontside the Celestial Church of Christ, an evangelical church bordered by an opeo sewer.

"The churches are springing up be-cause of our suffering," he said. "With-out the preachers, there would have been war in Nigeria."
About 800 kilometers (500 miles)

from here, and a world away, in the newly constructed capital, Abuja, signs abound of where some of the oil wealth that might have lifted Makoko from its But in this country where almost one in

mire has gone. A sumptuous gold-domed mosque and the four glearning towers of Nigerian National Petroleum Co. dominate Abuja; at two luxury hotels, the talk is of oil cootracts and marble and Jacuzzi sales for new mansions.

In these hotels and throughout Abuja, the late dictator, General Sani Abacha, had his agents, businessmen said. There was scarcely a contract signed, or an agreement reached, before be had taken six Africans live, the divisions are particularly raw. They have been worsened by the scale

of Nigeria's wealth — more than \$10 billion is earned annoally from oil — and the scale of the military misrule that has directed the use of these resources. The widely held perception that northern Muslims have arrogated that rule and its immense fruits to themselves has injected the venom of ethnic resentments.

'The churches are springing up because of our suffering. Without the preachers, there would have been war in Nigeria,' an immigration official said.

his cut. On days when the general, who died last month, was unreceptive, hasioess ground to a halt.

General Abacha's successor, General Abdulsalam Abubakar, was expected to make a speech Monday laying out a program to return Africa's most populous nation to democracy. The task facing him is enormous: bridging the abyss between Abuja and Makoko's misery.

Nigeria is a treacherously divided nation. Gulfs between a wealthy minority and poor masses are, of course, nothing exceptional in the developing world.

Since the July 7 death in detention of Moshood Abiola, the opposition leader from the southern Yoruba people whose apparent victory in the 1993 presidential election was annulled by a northern general, anger and suspicion seem to have built to a pitch that General

Ahubakar will be hard pressed to allay. 'At the very least, he must convince us that a new period of public accountability, of checks and balances, and of a fair chance for everyone from every region, is beginning," said Ote Enaibe,

an oil engineer. The very notion of a fair chance

seems grotesquely distant in Makoko, where a labyrinth of flimsy wooden planks perched on supports in the la-good form narrow raised pathways above the stinking water.

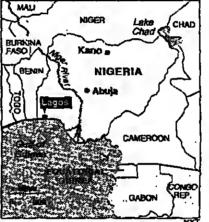
Canoes glide through the shantytown. In some, women sell fish caught in the lagoon. One boy could be seen Sunday defecating into the water, washing himself, and then casting his small net into the same spot. This community of per-haps 500,000 people has no sewers, oo electricity, oo garbage collection. "The power is in the north, the

weapons are in the oorth, and the mooey goes to Abuja," said Uduma Obasi, 26, as he sat in his single room in Makoko, perched on wooden posts above the lagoon. "If there cannot be a shift of power, then we are better off breaking Mr. Obasi, who makes \$30 a month

selling rice and other staples and dreams of becoming a soccer star, is from the Ibo people in eastern Nigeria.

After the Biafra War, in which 1 million people died when the Ibo sought to secede in 1967, his people oo looger want to fight, he said. Nor, he added, do they want to be downtrodden.

Another Ibo, a trader named Clement Ubiajulu, said that northern generals had been able to dominate only because the Yoruba and Ibo had never been able to



unite against them. If the Yoruba now led the way, be said, the Ibo would follow. In Ahuja, such talk tends to raise a smile. Economic power — the oil — is in the south, officials say, so the political power must remain in the north.

The fear of the north, and the fear of

Abiola, was simply that the south might have been able to grab everything," one

Meanwhile, Makoko's churches offer what solace they can. 'People are seeking God to see what he can do for them to survive," said Steve Orovboni, who has the title of most senior evangelist at the Celestial

Church of Christ, "For the children of

God there is no poverty so our members

TRAVEL UPDATE

An Easy Jet Free Trip

ATHENS (AFP) — The British cutround-trip to London to anyone who turns up to support it Tuesday when it faces a court case brought by Greek travel agents, a newspaper here said.

Praver

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Elefteros Typos quoted Easy Jet's owner, Stelios Chatzioannou, a Cypriot shipowner, on the offer. Four travel agency associations filed urged travelers to buy their tickets di-

rectly from the company rather than

Spain Airport Protest

MADRID (Reuters) — Airport workers in Spain started a go-slow effort Monday to press the national airport authority back to the negotiating table and avert an all-out strike at the end of the month, a union source said.

Correction

The name of the federal judge who ruled that the Environmental Protection Agency wroogly declared secondhand smoke a dangerous carcinogen was in-correct in Monday's editions. It was U.S. District Judge William Osteen Sr.

Big Danger to Workers: Other Workers

the workplace has emerged as rates of workplace violence a leading security threat to that can range from fighting employees around the world, and physical assaults to sexuputting women more at risk all harassment and bullying than men, a survey by the France leads the world in International Labor Organization said Monday.

The Geneva-based United Nations agency said Western being sexually harassed. including the

United States, France, Britain icide has oow surpassed job-

sexual harassment, according to the survey, with 20 percent of female workers reporting

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> Herald Eribune THE WORLD'S DAILY NEWSPAPER

GENEVA - Violence in and Canada had the highest related accidents to become twice as likely to be victims of the leading cause of occupational death for women and the second top killer for men, the survey said.

people assaulted each week at work or while on duty across the United States and an average 20 workers killed, costing the U.S. economy an estimated \$4 billion annually.

While most people asso-ciate dangerous work with physical risks, dangers are on the rise in the white-collar workplace with corporate offices emerging as high-risk areas, the survey said.

Professionals at highest operations as well as health care workers, teachers, social workers and domestic workers abroad. Victims of workplace violence are more likely vices, office cleaning and

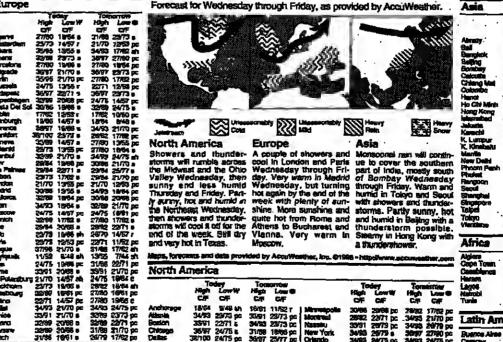
workplace violence than men. In North America, surveys indicated that 4 percent of female workers had suffered Every year. 1,000 Americans are being killed in the workplace, the survey said. Stadstics showed 18,000 cases of sexual harassment reported by almost 8 percent of

> Sexual violence and harassment while working were highest in industrialized countries and in Latin America. In Argentina, more than 15 percent of women reported incidents of sexual violence and harassment. The International Labor

Organization had no data on women at the workplace. It risk included lone workers said workplace violence was such as taxi drivers and those underreported mainly due to working in late-night retail fear of reprisals. In Western Europe, violence had emerged as a major safety issue in jobs led by banking, sports and leisure industries, postal serpublic utilities, it said.

WEATHER

do not experience poverty.'



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THE AMERICAS

Starr Focus On 2 Clinton **Attorneys** Is Reported

By Alison Mitchell
New York Times Service

WASHINGTON - The Whitewater independent counsel has subpoensed records of White House visits made by President Bill Clinton's private lawyers, David Kendall and Robert Bennett, according to a television news program.

A STATE OF THE STA

The subpoenas, reported Sunday by the CBS News program "Face the Nation," could provide the independent counsel, Kenneth Starr, with logs or dates that would allow bim to explore whether other White Horse sides at whether other White House aides attended meetings between the president and his lawyers.

If the sessions included other mem-bers of the White House staff, Mr. Start might be able to argue that those aides were not covered by lawyer-client priv-lege and could be called to testify, legal xperts say.

Neither the White House nor Mr. Starr's office would comment on whether subpoenas had been issued. Mr. Starr's spokesman, Charles G. Bakaly 3d, said, "It has never been our intention to pierce the president's atforney-client privilege with his personal

Trent Lott, the Mississippi Republican who is Senate majority leader, called on Mr. Chinton to testify whether he had had a sexual relationship with Monica Lewinsky, a former White House intern, and lied aboot it. Mr. Clinton has denied a sexual relationship with her.

"Look, truth will set you free," Mr. Lott declared on 'Fox News Sun-

The Republican leader said he did not understand why the Clinton administration had tried to shield Secret Service agents from being questioned about the man they have sworn to protect. "They appear to be hiding something," he

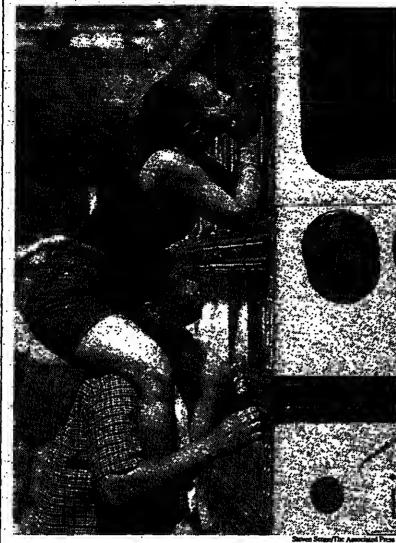
. Jim Kennedy, a White House spokesman, said: "It's regrettable that the majority leader appears to question the integrity of people who put their lives on the line every day.'

Mr. Kennedy said he would not confirm or deny that Mr. Starr has sought records oo visits to the White House by Mr. Kendall and Mr. Bennett.

Several of Mr. Clinton's bodyguards testified to a grand jury here Friday after the administration lost an emergency bid to the Supreme Court to keep the agents off the witness stand.

Agents Said to Have Seen Little

Lawyers for Secret Service agents who were summoned to testify before a grand jury said that their clients did not know anything that would substantiate allegations President Clinton had engaged in improper sexual conduct with Ms. Lewinsky and sought to cover it up, the Los Angeles Times reported from



CAMPBOUND - Alea Martinez, 9, receiving a kiss from her mother, Sobieda Martinez, supported by her husband, Gerald Alston, upon leaving the Roxbury section of Boston for a Goodwill Fresh Air Camp.

Away From Politics

· Sex shops and strip clubs violating New York's tough oew zoning law could be shut down immediately, Mayor Rodolph Giuliani announced. The zoning law bans the sex-oriented husinesses from operating within 500 feet (150 meters) of homes, schools

· A cave explorer trapped underground near Gallupville, New York, for most of the weekend was freed hy a team using chisels and drills, then pulled to the surface. Craig Douglas, 24, of Medford, Massachusetts, appeared to have suffered only scrapes and perhaps a sprained knee. (AP)

Ruling Ignites Smoke Bans' Backers

By Joan Biskupic intion Post Service

WASHINGTON - U.S. government officials say there is no turning back from the widespread bans on smoking at work, in restaurants and on airplanes, despite a federal judge's decision that a government report declaring that secondhand smoke causes can-cer was seriously flawed.

The ruling by Judge William Osteen Sr. of the U.S. District Court of the Middle District of North Carolina in a lawsuit brought by cigarette makers found that the influential 1993 Environmental Protection Agency report stemmed from faulty methods and failed to demonstrate the link between secondhand smoke and lung cancer.

The scathingly worded opinion is-sued Friday accused the agency of committing to an anti-tobacco conclusion before the research began and ignoring evidence that contradicted its premise.

While the Environmental Protection Agency was not the first to target environmental smoke, its 1993 finding that smoke was as dangerous as such pollutants as radon or benzene made it a catalyst for tougher smoking prohibi-oons. Many state and local governments, as well as owners of private buildings, responded by imposing bans on smoking

inside offices, stadiums and restaurants. No one wants to go back to smoking on airplanes, to smoking in restau-rants," said Donna Shalala, the secretary of health and human services, on 'Fox News Sunday." "No one wants to go back to pollution indoors."

She and other officials said they

would be reviewing Judge Osteen's ruling in the case.

"Anyone who has had a cold that has been in a room with a smoker, from a common-sense point of view, knows that anything that pollutes the air makes their breathing ability worse." Ms. Shalala said. "So there is science there. What the

relationship is between that and the EPA rules, we'll have to look at carefully." Matthew Myers, executive vice pres-

ident and general counsel of the Campaign for Tobacco-Free Kids, said that the country has become a nation of "people who believe it is inappropriate to have to be in a place where they have to breathe tobacco smoke." At the same time, Michael York, a

lawyer for the cigarette maker Philip Morris Cos. said the ruling could become an obstacle to people who try to sue tobacco companies for lung cancer, heart disease or other ailments that they claim were caused by secondhand smoke.

"They have to prove that their injuries were in fact caused by second-hand smoke," Mr. York said, "and the EPA study has been a cornerstone of lawsuits.

The Environmental Protection Agency estimated that "passive smoking" was responsible for about 3,000 lung cancer deaths a year.

Cradle-to-Grave Health Data on All?

A Compulsory Electronic Code Arouses Apprehension Despite Benefits

By Sheryl Gay Stolberg New York Times Service

WASHINGTON — As legislation that would protect patient privacy languishes in Congress, the Clinton ad-ministration is quietly laying plans to assign every American a "unique health identifier"- a computer code that could be used to create a national database that would track every citizen's medical history from cradle to grave.

The electronic code was mandated hy a 1996 law and would be the first comprehensive nacional identification system since the Social Security oumber was introduced in 1935. Although the idea has attracted almost no public attention, it is so contentious that federal health officials, who were supposed to propose a plan for the identifier by February, have made little headway and are instead opening a series of hearings beginning this week to solicit public comment

Proponents, including insurance companies and public health researchers, say the benefits would he vast. Doctors and hospitals would be able to monitor the health of patients as they switch from one insurance plan to the

Pacents would not have to wade through a cumbersome hureaucracy to obtain old records. Billing would be streamlined, saving money. A national disease database could be created, offering unlimited opportunities for scieotific study.

But opponents, including privacy advocates and some doctors' groups, say the code smacks of Big Brother.

They say that trust in doctors, already eroded by managed care, would deteriorate further, with patieots growing reluctant to share intimate details.

"We have very grave concerns about the unique patient identifier," said Dr. Donald Palmisano, the American Med-

ical Association's expert on privacy.
The identifier was ordered by Congress in 1996 as part of legislation permitting employees to take their health insurance with them to a new joh. That law, known as the Health In-

surance Portability and Accountability Act, also requires codes for employers, health plans, doctors and hospitals. To sort out these and other issues, the Department of Health and Human Ser-

vices is deviating from its procedures. Rather than issuing a proposal and inviting public comment, as it has already with regulations for the employer and provider identifier codes, the department is sponsoring a series of hearings oo the patient identifier.

The first was scheduled to start Monday in Chicago.

Prayer Not Enough as Southwest Suffers in Heat and Drought

By Lois Romano

shington Post Service

TULSA. Oklahoma - As penetrating heat and persistent drought engulfed Oklahoma with no relief in sight, Governor Frank Keating looked to the only remaining hope: divine intervencion. He declared a day of prayer for water. None

Record temperatures continued to grip the Southwest, with total heat-re-lated deaths estimated as high as 113 since May in Texas, Oklahoma, Louisiana and Arizona.

It is the hottest, driest summer in Oklahoma and Texas in 18 years, and one of the worst since the Dust Bowl of the 1930s forced farmers to abandon

their land and become migrant workers. There has been no sobstantial rainfall in parts of Texas and Oklahoma for months, causing agricultural and livestock losses in the billions of dollars,

In Dallas, a city hot line is logging thousands of calls from people seeking relief from the heat wave, with temperatures over 100 degrees (39 centigrade) day after day.

folunteers scour bus stations and parks, notifying the homeless that air-conditioned shelters are available. Border Patrol officials - reacting to at least 40 heat-related deaths of illegal immigrants crossing the Texas border—are flooding Mexican television outlets with public service announcements imploring immigrants to stay at home.

served as master of Berkeley

College and coach of the Berkeley crew.

Alberto Cavallari, 70, a

well-known columnist and

former editor of Italy's

higgest selling newspaper, Corriere della Sera, died of a

heart attack Monday at his

home in Levanto.

Stifling heat has enveloped huge areas of the West and the South, with the worst of it focused oo the heart of the Southwest. Meteorologists said they could oot predict an end to the high-

pressure system covering the region.

rain has created a serious threat of brush fires oo the intensely dry land. One night this month, lightning caused 54 fires in one county alone in Oklahoma,

In addition, the lack of measurable taking the biggest blow, Governor George Bush, Republican of Texas, asked the U.S. Department of Agriculture on Friday to declare all of the state a disaster area, and Mr. Keating Economically, farms and ranches are made a similar request for Oklahoma.

Gisella Caccialanza, U.S. Ballerina, Dies

New York Times Service NEW YORK - Gisella Caccialanza, 83, a major American ballerina with George Balanchine's first New York company and with the San Francisco Ballet, died of a stroke Thursday in

Daly City, California.

Miss Caccialanza danced with pioneering American companies and was married to Lew Christensen, an important American choreo-

grapher. She first studied ballet in Los Angeles with Giovanni Rosi, then with Enrico Cecchetti, Italy's most celebrated teacher, in Milan. Miss Caccialanza became Mr. Cecchetti's protégée and a collection of their correspondence, "Letters From the Maestro," was published in

After returning to America in 1928, she worked with Al-bertina Rasch, a Viennese choreographer who staged ballet oumbers for musicals and vaudeville shows.

In 1934, she became a charter member of the American Ballet, Balanchine's first American company. When the American Ballet

Caravan, a touring group founded in 1936 that encouraged American choreographers, among them Mr. Christensen, whom Miss Caccialanza married in 1941.

in 1943, dancing the Sugarplum Fairy in America's first complete "Nutcracker." Back in New York, Miss

T.C. Mendenhall, 88,

New York Times Service

was not performing, its mem-bers appeared with Ballet sport of rowing and a former ments. Mr. Mendenhall sport of rowing and a former president of Smith College, died of cardiac arrest Saturday at Martha's Vineyard.

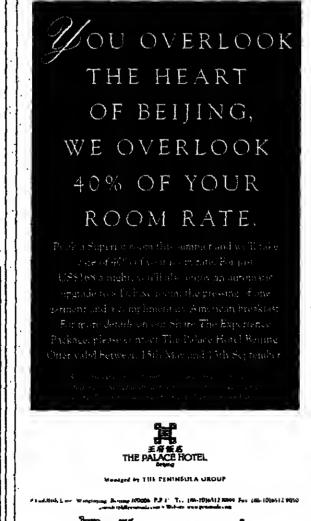
Massachusetts. Mr. Mendenhall was the president of Smith College in Northampton, Massacho-setts, from 1959 until he re-She was guest ballerina with the San Francisco Ballet tired in 1979. Before that appointment he was a noted professor of history at Yale,

Caccialanza joined Ballet Society, the forerunner of the New York City Ballet, in 1946 and created the Third Theme in Balanchine's "Four Temperaments."
When Willam Christensen

left California in 1951 to found Ballet West in Salt Lake City, Utah, of which he is now director emeritus, his brother succeeded him in San Francisco. Miss Caccialanza danced with his company until the birth of their son in 1953. She then taught at the company's school.

Educator and Historian

NEW YORK — Thomas Corwin Mendenhall, 88, the



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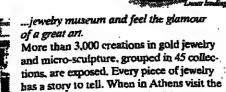
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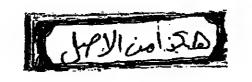






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ASIA/PACIFIC

U.S. and India 🔢 Seek to Settle **Dispute Over Nuclear Tests**

The Associated Press NEW DELHI - Top U.S. and Indian officials held what were described as "constructive" talks Monday about New Delhi's nuclear policy, but much remains to be done to mend strained

"We have established a very wide canvass on which we are seeking to paint, but we have a loog way to go."
Deputy Secretary of State Strobe Talbott said after more than five hours of talks with an Indian foreign policy ad-

viser, Jaswant Singh.
Mr. Talbott said they would meet again in Washington at the end of Au-

Mr. Singh also called the talks "constructive, but he said few details could be discussed at this time.

When Mr. Talbott and Mr. Singh met earlier this month in Frankfurt, the location of that meeting was not disclosed in advance, allowing them in avoid re-

porters.

But on Monday, they posed for photographers before beginning their discussions in New Delhi.

The two negotiators first met in Washington in June, soon after India and neighboring Pakistan detonated a series of underground nuclear explo-

Mr. Talbott, who was also to meet with the Indian prime minister, home minister and opposition leaders, said he was engaged in "the very important business of restoring U.S.-India rela-

The vice chairman of the U.S. Joint Chiefs of Staff, General Joseph Ralsun, held separate discussions with Indian

The Talbott delegation will go to Pakistan on Tuesday for talks with the prime minister and foreign minister there, with a similar objective.

KYOTO, Japan — A bridge project proposed by France to mark close ties with Japan has set off protests in the nation's ancient capital, Kyoto, "It is totally embarrassing to build a Frence bridge in the very heart of

Japan's most historical spot," said Manpei Kimura, a 74-year-old Kyoto

"It's an act of folly, which will

never promote friendship between the

two countries," Mr. Kimura said. In

May, his group submitted a petition to

the Kyoto municipal government

with 56,000 signatures opposing the

The hridge, to be modeled on the

Pont des Arts in Paris, was intended to

mark the Year of France in Japan this

year and the 40th anniversary of sis-

ter-city ties between Kyoto and the

Kyom adopted the project in Oc-tober after France made the proposal

during a visit hy President Jacques

the pedestrian bridge at a cost of 600

million yen (\$4.28 million) across the

Kamogawa River in central Kvoto.

between the traditional Pontocho res-

taurant street and the Shijo entertain-

Under the plan, the city is to build

Chirac to Japan the previous year.

resident who represents a

posing the plan.

French capital.

ment district.



Deputy Secretary of State Strobe Taibott, left, meeting Monday with Jaswant Singh, a top adviser to Prime Minister Atal Bihari Vajpayee.

Taleban Shuts 35 Aid Offices

KABUL - The Taleban closed the offices of more than 35 private foreign aid agencies here Monday over their refusal in relocate to a derelict college huilding, witnesses said.

The majority of the 100 or so foreign aid workers of the nongovernmental or-

The view over the river there, with its backdrop of Mt. Kitayama, is one of the most famous landscapes of the

But the plan drew immediate op-position from people in the city. "How would they feel if Japan built a Japanese bridge on the Seine?" a woman asked.

Another woman, who owns a res

taurant near the construction site.

said, "The bridge will only increase

the number of anti-French people

bridge as a joint project with the Jap-

anese. One of the architects involved

is French, the other Japanese, and the

Japanese will be responsible for

Kyoin has delayed the construction,

which was originally due to start this

month. Officials said the city may yet

go ahead with the project as early as Octuber.

Hisakaki Nojima, a city official, said the bridge was needed because

Kyoto, the birthplace of such Jap-anese arts as traditional Kabuki theat-

er and the symbolic tea ceremony.

was home to the imperial court from

794 to 1868, when the capital was

the area was always crowded.

transferred to Tokvo.

In the face of the strong opposition,

building part of the bridge.

For their part, the French see the

ancient capital.

ganizations left the capital Sunday, and most of the remaining foreign staff started leaving after the milina closed the offices. The relocation order did not apply to offices of the United Nations nd the International Committee of the

Witnesses said that Nabi Majrouh, an official in the Taleban government's intelligence network, had ordered the local and foreign staff of the Agency

Coordinating Body for Afghanistan's Relief to leave their office building.

Mr. Majrouh told aid workers the offices of all agencies that failed to move to the new location would be sealed and that the agencies would have to leave Afghanistan. He was accompanied by five armed Taleban soldiers and a Foreign Ministry representative.

Four French aid agencies left Kabul on Monday, including Doctors of the World and Action Against Hunger, while offices were being sealed and uision orders issued. The European Commission's office was also closed.

Two Afghans working for UN aid agencies were killed after being kidnapped in the eastern Afghan city of Jalalabad, the UN High Commissioner for Refugees said Monday. Mohammed Nazir Habibi, 49, worked for the refugee agency, and Mohammed Hashim Bahsaryar, 55, worked for the World Food Program. They were abducted July 13.

In opposition-held areas, aid agencies halted most of their operations more than a year ago after a string of security threats and the looting of their premises and stores in the opposition stronghold of Mazar-i-Sharif.

The Taleban controls two-thirds of Afghanistan hut has failed to dislodge an opposition alliance from the north

despite months of sporadic fighting.
The UN, which acts as an umbrella organization, has frequently clashed with the Taleban, especially over the rights of women, who are not allowed in (Reuters, AFP) work or study.

From Finance Ministry to Cell No. 3

Vague Charges Accuse Korean Official of Letting Economy Fall

By Don Kirk Insernational Herald Tribune

EUWANG, South Korea - Suffering from high blood pressure and losing sight in one eye, Kang Kyong Shik has no desire to read the fine print of news-paper articles about Sooth Korea's financial crisis.

"Economic problems give me a head-ache," said Mr. Kang, who was deputy prime minister and finance minister of South Korea for eight months last year before resigning as his country teetered on the brink of bankruptcy. "Most of the time, I look forward to meeting my

Mr. Kang, 62, spoke from behind the wire mesb and glass of a prisocer's interview room in Seoul Detendoo House, about 20 miles (30 kilometers) from the center of the capital but only a mile or so from the Finance Ministry, where he has twice served as minister Beside him was a prison official, scrib-hling notes as Mr. Kang — garbed in prison hlue, "prisoner No. 1199, floor 2, cell 3," sewn on his shirt — talked in English about his arrest and pending trial on charges of negligence of duty and abuse of power.

What bothers him most, Mr. Kang said, was the implication of his arrest and that of another former senior official, Kim In Ho, held on the same charges in the same prison, for others now in charge of economic policy.

"If I am treated this way, our economic management cannot function properly." Mr. Kang said. Those responsible for navigating the country through economic turmoil, he suggested, may fear that someday they, ton, will be held in the same prison, awaiting trial on the same vague charges.

The indictments against Mr. Kang and

Mr. Kim accuse them of having failed to report clearly last year on the country's slide to economic disaster. Mr. Kang is also charged with usurping control over the exchange rate from the central bank. while Mr. Kim is charged with pressing the bank to lend funds to a chaebol, or conglomerate, that went bankrupt.

His indictment adds that Mr. Kang hindered negotiations on the eventual bailout South Korea received from the International Monetary Fund. It says Mr. Kang failed to tell his successor, Lim Chang Yuel, what had been negotiated before resigning as finance minister after the National Assembly did not pass a series of reform measures in November. Mr. Kang says he was forced to resign so quickly that he never had a chance to brief Mr. Lim, who signed an agreement for a loan package of nearly \$60 billion on Dec. 3.

Mr. Kang and Mr. Kim, who bave been beld without bail since May 18, go on trial Friday. The Seoul District Court has until November to render a verdict. Unless the court grants their applications for bail, they will remain in separate cells barely big enough for them to lie down in, with no running water and boles in the floor for toilets. The highlight of every day is a single 10-

minute meeting with a visitor. Mr. Kang maintains that he and Mr. Kim, chief economic secretary to Kim Young Sam, whose five-year term as president eoded in February, have been singled out for blame for a crisis they did not create and did their best in solve.

"Some people think that I'm a scape-goar," said Mr. Kang, asked whether be would agree with the use of that word. "I am trying to figure out why I'm here."

Many others are asking that same question.

Unlike bundreds of political, military and business leaders who were jailed oo corruption charges under Kim Young Sam, Mr. Kang has never been accused of accepting hribes from business leaders. He has not, as far as anyone knows. hidden any ill-gotten wealth, and he is not charged with conflict of interest.

"In no advanced country or developing country that I know of can we find such a case," said Lee Han Dong, a former prosecutor and judge who is acting president of the opposition Grand National Party. "I only hope the ruling of the court will be fair and it will be a ruling that we as a nation will not be ashamed of."

But President Kim Dae Jung is believed to see Mr. Kang as a foe because he served as finance minister under Chun Doo Hwan, the former general who was president from 1980 until 1988 and ordered Kim Dae Jung to stand trial for treason for instigating the pro-democracy uprising in Kwangju in May 1980.

Mr. Chun and his successor, Rob Tae Woo, also a former general, were jailed for their roles in the massacre that ended the Kwangju revolt and for corruption.

Assembly seat as an independent but was once a member of the predecessor of the Grand National Party, the New Korea Party, when it was the governing party of Kim Young Sam, does not blame the current Mr. Kang defends his record, theless, Mr. Kang defends his record.

"Our economic situation was not good, but we never thought we were in a position to ask the IMF for assistance, he said. "The situation changed so rapidly in November. Our government already had lost a lot of confidence in the international market and community. I had in mind to show we were moving into action.

A buzzer sounded and the guard said "time over" for the interview. "They accuse me as a criminal," Mr. Kang said. "We will try our best to make this a possence age. Anyboy. I have to a nonsense case. Anyhow, I have to survive."

BRIEFLY

Seoul to Withdraw 5 Agents in Russia

SEOUL - South Korea will recall five intelligence agents from its dip-lomatic missions in Russia in an effort to resolve a dispute over the expulsions of diplomats from each country, government sources here said Monday.

Seonl agreed to a demand from Moscow to reduce to two the number of its intelligence officers working as diplomats in Russia to "balance" the quota in each country, a Foreign Ministry source said.
"The Russians have asked five of

our diplomats to leave," a South Korean official said, adding that Seoul had agreed to the demand to ensure the dispute did not widen.

The withdrawal of the officers sbould mark the end of a dispute over the expulsion by Moscow of an alleged South Korean spy and Seoul's retaliation against a Russian diplomat

House for Suharto Angers Deputies

JAKARTA—Indonesian deputies have questioned the disbursement of 26.6 billion rupiah from state funds for the construction of a bouse for former President Suharto, reports said

a large amount of money be spent," the deputy chairman of the ruling Golkar party, And Matallata, said of the disbursement of the money for the bouse, the Berita Buana evening daily

Mr. Matallata said the law did provide for a house for former presidents and vice presidents, but it did not state a limit for the amount that can be spent. The 26.6 billion rupiah (\$1.8 million) was considered too extravagant, be said. Mr. Suharto stepped down on May 21 amid mounting public pressure.

Indonesians Return After Volcano Scare

JAKARTA - Thousands of Indonesians began to return bome Monday to the slopes of the Merapi vol-cano a day after it spewed ash, lava and heat clouds causing them to flee,

officials said.

At least 2,100 people from eight villages had fled the west and southwest slopes of the 2,911-meter (9,550-foot) high volcano in Central Java, an official in the Magelang dis-

Aries Priyatno of the Magelang authorines said that the villagers had insisted on returning home after the Merapi appeared to have calmed down, Mr. Priyatno did not know whether the activity of the volcano had abated. He said a new evacuation would be ordered should the mountain rumhle again.

An Ailing Hun Sen Pledges Fair Poll

PHNOM PENH — Prime Minister Hun Sen emerged from his bospital sickbed Monday to dispel rumors of his death and to pledge that weekend elections would be free and fair.

Mr. Hun Sen spoke to about 50 local and foreign journalists in the gardens of the Calmette Hospital where he has been since undergoing surgery to remove his appendix Fri-

Hong Kong Leader Assailed on Airport

HONG KONG - Chief Executive "Is it really appropriate and fair Tung Chee hwa was met by protest-that amid this situation of crisis, such ers Monday as he made his first visit to Hong Kong's new airport.

Airport staff cordoned off Mr. Tung, Chief Secretary Anson Chan and Wong Po-yan, the airport authority chairman, from protesters as they toured the passenger terminals and cargo handling facilities.

The protesters called on him to take responsibility for the problems which have plagned the airport.

For the Record

More than 70,000 workers at state-run hospitals and clinics in the Indian capital of New Delhi started an indefinite strike Monday for higher wages and quicker promotion, union leaders said

Lightning killed 14 people in southwestern China when it struck a house where farmers were taking shelter from a storm, the Xinhua press agency said.

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EUROPE

In Face of Fear and Lawlessness, a City in Kosovo Shuts Down

By R. Jeffrey Smith

PEC, Yngoslavia - Bajram, an ethnic Albanian who has lived here for 40 years, was standing in a bread line in pitch darkness at 4:30 A.M. a few days agn when a half-dozen Serbian police-men approached in an armored vehicle. After taunting the group, the policemen became emaged at Bajiam because his papers stated that he was born near a willage where several Serbian policemen had just been shot.

For the next 30 minutes in the back of the armored vehicle, Bajram, 45, said, "They beat me, on one side and then the other," while cruising up and down the streets of Pec, the second-largest city in Kosovo. They used numchucks, two metal nightsticks joined by a short chain, as well as the butts of their rifles and the tips of their boots, before damping him

THE HAGUE - With fighting in-

tensifying and the death toll mounting in

Kosovo, a broad coalition of Serbian opposition leaders called Monday on

the United States to take the lead in

helping to end the sharpening conflict.

The Alliance for Change, consisting of Serbs opposed to President Slobodan

Milosevic, met the senior U.S. diplomat

for the Balkans, Richard Gelbard, for talks aimed at persuading foreign coun-tries to broker a cease-fire and to stop

more arms from reaching the Serbian

away without concrete pledges after.

three hours of talks, alliance members

were encouraged by the positive recep-

"We have received full support for democratization of our region," said a former Yngoslav prime minister, Milan

"It is clear to us that the American

Mr. Gelbard said the United States

welcomed the group's establishment as

a driving force toward more democracy

port. He would not specify what form

the support would take.
"The United States has been very

supportive of this process in the past and

in Yngoslavia and would offer it sup-

government is prepared to assist in the

democratization of Yugoslavia."

tion they received from Mr. Gelbard.

Although they appeared to come.

province of Kosovo.

Critics of Milosevic Urge

U.S. to Take Kosovo Lead

onto a deserted street and ordering him

at gunpoint to lie down in a ditch.

During the beating, Bajram said, the policemen repeatedly threatened to kill him, saying, "You will never eat Serbia's bread again." It was their effort to hammer home the Serbs' claim to undisputed dominion over everything in Kosovo, a province of Serbia, Yugoslavia's dominant republic, where ethnic Albanians comprise 90 percent of the population.

Bajram's bruises and scars are just part of the evidence that Kosovo is rapidly becoming a lawless territory, in which kidnappings, beatings and other acts of violence are turning the lives of citizens upside down. The open warfare between Serbs and ethnic Albanians that has touched dozens of villages and towns has not yet spread to Pec, but the city is suffused with an atmosphere of fear and, sometimes, terror.

As many as a third of the city's 40,000 inhabitants have fled in the past two weeks, most traveling by foot over mountain passes in avoid Serbian checkpoints and reach relative safety in the neighboring Yugoslav republic of Montenegro. According to the United Nations, more than 14,300 refugees from Kosovn have been registered in Montenegro since March, including at least 7,200 ethnic Albanians and 2,000 Serbs from the province's western re-

They are fleeing a city where few people gn out in socialize, where almost oo one has a steady inb, where cultural performances have been halted fur months and where even private celebrations in mark hulidays or high school graduations are discouraged for fear of attracting the unwanted attention of Serbian police. At least 17 Serbs and six ethnic Albanians have disappeared

from Pec and surrounding villages since mid-May, according to the Pristina-based Humanitarian Law Center, they are presumed to be victims of kidnappings by ethnic Albanian guerrillas or government security personnel. Loxha, a 55-year-old ethnic Albanian

interviewed at a refugee center near the Montenegrin city of Rozaje, said he left a suburb of Pec with five relatives "because a lot of shootings were going on."
Everyone abandoned their houses,"
he said. "We hate wars. If I were to gu

back, I would not feel safe." Many who fied evidently were alarmed by brief fighting last week between the Serbian militia and members of the ethnic Albanian rebel group known as the Kosovo Liberation Army, over control of Lodja, a village three kilometers southeast of Pec.

Most of the houses along the road leading there are ahandoned, with Ser-

bian snipers peering out of windows piled with sandbags and a large police detail blocking all traffic from reaching the village. Fighting in nuttying areas has caused an influx of more than 36,000 refugees into the city, most of whom are staying with friends nr relatives whose resources already are stretched thin.

Almost none of the residents of Pec venture outside after dark, turning what was once a vibrant city of musicians, traders and tourists inm a ghost mwn at night. Under narmal conditions, the streets of most Balkan towns are thronged Saturday night with flirting teenagers and strolling families. In Pec Sunday evening, a reporter encountered only a few stray dogs and one couple during a 90-minute walk in the city

The woman, Mirjana Ilic, said that most of her friends were unemployed



gambling winnings of her husband, Se-fkija Zejnelagic. "Milosevic and Rugova, these are the people who are making trouble," Mirjana said, speak-ing of President Slobodan Milosevic nf Yngoslavia and the ethnic Albanian der Ibrahim Rugnva. "The twn sides are making mistakes, but I as a Serb say Serbs are making more mistakes.

During the day, city residents are furced to spend much if their time fur-aging in shops for scarce food, such as cooking oil, bread, flour, sugar, butter and macaroni. For much of the past four months, Serbian officials have imposed an unofficial embargo on shipments of these and other goods to Kosovo; three weeks ago, they declared in a letter to husinessmen in the province that shipments of about 40 commodities would be restricted.

The results of what some aid workers have called a "slow strangulation" of the province have been catastrophic for many businesses here. A trade association in Pristina, the provincial cap-ital, reported last week that nearly onethird of all the province's egg-laying chickens have died because farmers cannot obtain chicken feed, causing a doubling of egg prices in the last month.

It is "an effort in squeeze the population into submission," said the local director of a humanitarian organization in a letter last week to Richard Holbrooke, the special envoy whn has been nominated as U.S. ambassador to the United Nations.

What little food comes in has been funneled to state-run stores, which are managed by Serbs; private stores run by ethnic Albanians can sell only the produce they obtain in the province. Moreover, many of the state stores maintain lists of "permitted" customers, most of whom happen to be Serbs.

BRIEFLY

Belgian Detention

In Pedophilia Case

BRUSSELS - The police de-

tained a leading member of an anti-

pedophile group Monday, appar-

ently after be refused to hand over

files the group says it possesses on an international child-sex ring.

of the group - called Morkhoven

after the village in anothern Bel-

gium where it is based - was taken

leagues to investigate Morkhoven

after the discovery of computer

disks containing images of sexual

abuse in an apartment in the seaside town of Zandvoort in the Neth-

erlands. The apartment belinged to

a German convicted pedophile, Gerrit Ulrich, who was slain in Italy last month. Italian police are huld-

Dutch police asked Belgian col-

in for questioning.

Marcel Veryloesem, the leader

Riding High, President Places His Trust in Future

President Valdas Adamkus of Lithuania, 72, has just marked six Q & A / Valdus Adamkus of Lithuania

months in office. Lithuanian by birth, he spent 50 years of his life in the United States, where he the currency remains stable, which enmental Protection Agency, before re-turning to Lithuania to be a candidate in its third presidential elec tion.

He spoke with Justin Keay for the

Q. How do you measure Lithuania's progress since independence in 1991? A. In 1972, Treturned to Lithuania for the first time since my childhood. The first thing I noticed was that people never had smiles on their face.

For me, coming from the free world. that ... fear was the most depressing thing of all. Since then, I visited regularly, so I was able to measure the changes, after Brezhnev, right up to the

I feel today we are regaining the confidence of Western partners, which is vital to the rebuilding of the economy. In the last three months, in particular,

investor interest has been significant. We hope this year's privatizations will lead to a doubling of foreign direct investment [from \$1 billion at the end of in the present and we intend to continue to be for the future," Mr. Gelbard

"This is potentially very important and useful and we look forward to fur-

ther discussions," he added. Alliance members, who include reformist Serbs from Kosovo and a Serbian Orthodox bishop from the province, support broad autonomy for Kosovo. They urge a cease-fire fol-lowed by negotiations to discuss the province's future.

Mr. Gelbard also met with Serbs from Kosovo on Monday but would not comment on the discussions.

Serbs said after the brief meeting that they had been invited to Washington in eptember for further talks.

Serbs battled militant separatists for a central Kosovo town for the third day running on Monday, sending thousands of refugees fleeing deeper into guerrilla territory, ethnic Albanian sources said.

The fighting for the town of Orahovac was reported by the daily Koha Ditore and the Kosovo Information Center, which is close to the leadership of the ethnic Albanian majority in

The newspaper said that 25,000 residents had arrived from the Orahovac area to Malisevo, deeper in the 30 to 40 percent of the territory believed held by the Kosovo Liberation Army.

This is not to say all our problems are

Q. What motivated you to run for

A. I felt, after being a regular, well-known visitor, that I had a moral ob-

ligation to people. I felt my U.S. ex-

perience would help us in getting rid of

bureaucracy, opening up society and

I felt that without any political bag-

I feel now the decision was absolutely

Polis show I have unbelievable sup-

Q. What are Lithuania's main pri-

A. My main domestic priority is to

see improved living standards for every-one. That means jobs and an improved

gage, I would be well-placed to help the

introducing free market ideas.

people of Lithuania.

solved. The tax and legal system remain

problematic, and we face some wor-

rying social issues.

president?

change. NATO is interested in an inclusive global security system, which is what we are all looking for. Other se-Also, over the next few months, we curity agreements simply will not

Smoke billowing from homes in Orahovac testifies to heavy fighting for the Kosovo town over the weekend.

I want membership for all three Baltic states: I don't think individual, bilateral approaches are good.

Q. How about relations between the

A. I am taking steps to create closes ties, that will take all three closer to the

Scandinavian business world. At the moment people talk of Five Plus Three [the five Scandinavian and the three Baltic countries]. I would like instead to be the Northern Eight. I think closer cooperation will happen. .

Q. Lithuania, like other countries of the former Communist bloc, faces many unresolved issues from the past - for example, the wartime massacre and deportation of Vilnius's once large Jewish population. What steps are ynn taking to resolve them?

A. I am a full supporter of the legal process.

realize Russia is opposed to nur mem-bership, but it realizes, too, that we are I would like to see the center of Judaism in Lithuania restored, and am have to live with the past. Our hopes considering building a Jewish center to now are for the future.



Valdas Adamkus, a U.S. citizen who felt call to return to his roots.

enable people to come and learn about

the past.
All three Baltic states should establish international committees to invite

people from around the world in look into our past. Let history evaluate us, and this should heal the wounds. However, we ing a Belgian man nn suspicinn of killing him. On Saturday, Morkhoven re-portedly refused to hand over its files to Dutch police. The group said it had been unfairly accused of breaking into Mr. Ulrich's apartment. Markhoven contends that the

French Sail Legend Is Confirmed Dead

files were handed over by Mr. Ul-

rich's family.

PARIS - The family of Eric Tabarly, the drowned French sail-ing legend, said Monday that a body found last week in a fishing boat's haul off the Irish coast had

been identified as his. The body was due to be cremated in Ireland nn Munday and his ashes were to be returned to the family in Brittany, said Gerard Petitoas, a friend of the family.

Mr. Tabarly, 66, a hero in France for his trans-Atlantic racing exploits, fell overboard from his yacht Pen Duick off the coast of Wales a mnnth ago. (Reuters)

Accord Reached By Dutch Coalition

THE HAGUE - Oueen Beatrix of the Netherlands has asked acting Prime Minister Wim Kok to appoint a new cabinet, ensuring the continuation of his coaliting of the Labor and Liberal parties and the centrist party Democrats 66, the

ANP news agency said Monday.
The coalition was given an increased majority in elections on May 6. Over the weekend, the three parties reached agreement on their program for the next Parliament, and on Monday they presented their report to the queen, recommending that she appoint Mr. Kok to form the government.

Turk Threatens **Cyprus Conflict**

1997]. We are cutting bureaucracy, and social structure.

Greek Missile Plan Condemned

NICOSIA — The Turkish prime minister, Mesut Yilmaz, warned Monday that plans by Cyprus to acquire anti-aircraft missiles could lead to renewed conflict between Greeks and Turks. 'Greece and the Greek Cypriots have not

that the events of 24 years ago remind us how dangerous this is," Mr. Yilmaz said to reporters in northern Cyprus. Mr. Yilmaz was visiting Cyprus to mark the anniversary of the Turkish invasion. Turkish troops landed on the island in 1974 in response to a

learned the lessons of history. I want to point out

Greek Cypriot coup backed by Greece. Cyprus has been divided into two rival sectors

since then, despite frequent efforts by international mediators to reunite it. Tension rose after the Cypriot government announced plans last year to buy S-300 anti-aircraft missiles from Russia. Turkey, which keeps 30,000 soldiers in northern Cyprus, has threatened to use force to prevent the missile installation.

'We will not refrain from taking every kind of precaution," Mr. Yilmaz said after meeting the Turkish Cypriot leader, Rauf Denktash. The Greek Cypriot president, Glavkos Klerides, said Sunday that Cyprus would continue to bolster

its defenses as long as efforts to reunite the island were stalemated.
The foreign minister, Yiannakis Kasoulides, said the government would lodge protests with the United Nations against the arrival in northern Cyprus of six Turkish Navy ships and an Air Force display team for the anniversary.



will speed privatization in most areas of

members both of NATO and the Euro-

especially that of good relations with

our neighbors. Relations with Poland

are the best in our history. I have met

three times with the Polish president,

and he is openly supporting our can-

feel we are making good progress.

Does this concern you?

Relations with Russia are vital, and I

Q. In London last month, Russia's

foreign minister, Yevgeni Primakov,

explicitly spelled out his opposition to

the Baltic republics' joining NATO.

from West Europe recently, and dip-lomatically avoided mentioning this. I

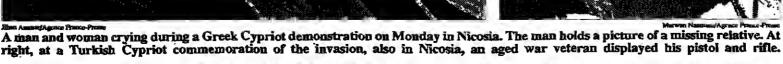
not about to become members tomor-

I believe that when the decision

A. Primakov visited me on his return

Foreign policy-wise, we want to be

We satisfy many of the requirements,



'The issue here is that heaven and earth were moved because four Greek fighters landed at Paphos airport. I want to see what will happen now with these Turkish provocations," he said.

Turkey sent F-16 warplanes to the north last month in retaliation for the dispatch of Greek Air Force jets to Paphos Air Base in the south. The incidents prompted U.S.-backed calls

for a zone over which flights would be banned. The S-300s are not just nur problem but the problem of the whole of Europe and the United States," Mr. Yilmaz said. Washington, wishing to avert a conflict between twn allies, opposes the missile deployment. Greece and Turkey are both members of the North Atlantic alliance.

Mr. Yilmaz repeated Turkish threats to integrate

economically with the self-declared Turkish Republic of Northern Cyprus if the Cypriot government joined the European Uninn.

The European Uninn's current plans call for admission of Cyprus before Turkey. Turkey is the only country in that recognizes Mr. Denktash's Northern Cypriot government as sov-

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INTERNATIONAL

In Ulster's Logic, the Quinn Boys Were Just Catholic Enough to Be Killed

BALLYMONEY, Northern Ireland - Chrissie Quinn, a 29-year-old Roman Catholic, lived in a drab housing project where the only religious colors displayed were the red, white and blue of

So, she sent her sons, Catholic by heritage but never baptized, to an all-Protestant primary school. "I brought them up as Protestants because their fathers were Protestants and because we were living on a Protestant estate," she explained. "I thought it was the right thing to do. I didn't want them to feel different.

But they were different enough for the Protestant arsonists who threw a gasoline bomb into their living room window. Now their two-story house, the only one on the block not to fly the Union Jack, stands out from the others even more because it is the only one with boarded up win-

symbols of a reality of the sectarian violence overall population, but in many communities in upstairs to bed by midnight. Taking care, Miss Margaret Thompson, using a Scottish term for here: All it takes is a trace of one religious this region they make up less than 10 percent. Quinn stayed awake and watchful until 3 A.M. children common in this area where many Protbackground to make someone an enemy in the murderous minds of people from the tither side,

Miss Quinn, her 31-year-old partner, Ray-mond Craig, and an 18-year-old friend escaped the flames July 12 by hurling themselves out a downstairs window. But the three boys, Richard, 11, Mark, 10, and Jason, 9, were trapped upstars and burned to death in their beds.

Their killings brought expressions of horror from around the ANALYSIS world, and so stunned Northern Ireland that a province-wide rampage of rioting, over a ban on a Protestant parade through a Catholic area, abated as mainstream Protestant and Catholic leaders sought to revive the spirit of a landmark

peace accord signed in April.

But places like North Antrim, the densely because it is the only one with boarded up windows and an ugly black amear of soot rising
above its doorway.

And three of Miss Quinn's four boys are dead,

Protestant part of Northern Ireland where the
Quinns lived, offer evidence of how difficult it is
to dispel hatreds on the ground. Cathulics account for more than 45 percent of the province's

They become particularly watchful in July, when the Protestant marching season sends the men of the Loyal Orange Order of Portadown out into the streets in their bowler hats, and more sinister supporters of the Protestant cause commonly

Besides the Quinns, there were a half dozen other Catholic families in the Carnany housing project, and a number of them reported last week that they had gone to sleep every night this month with fire extinguishers by their bedsides and garden hoses attached to sink faucets. Many of them had received letters carrying a single bollet and a brutishly scribbled warning to get out.

"I never got one, and I thought we were all right," Miss Quinn said. Her uncle, Robert Parton, 53, says he knows she was worried, though. 'She told the kids to come home early," he said. "She had a feeling that something was going to

happen."
The boys parked their bikes by the fence, where they still stand immobile today, and went

The arsonists struck at 4:30.

What had kept the boys out late is poignantly emblematic of how comfortable they felt in the local Protestant culture (however uneasy Catholic adults may feel). They were frolicking at a bonfire, one of the many that light up the sky this time of year in commemoration uf the Battle of the Boyne in 1690, when the Protestant King William defeated James, a Catholic. July 12 is the most important date on the Northern Irish Protestant calendar, and it is the day the three Quinn boys died for having been born Catholics. And in the aftermath of their deaths, every

block of the Carnany housing project now has moving vans on it. The people fleeing are like the Quinns, people who dared commingle the province's two warring communities.

The boys, known by the impish nicknames of Tavish, Marky and Ace, are remembered with

fondness by people in the project, including

"They were just three tearaway wains," said

estants trace their background across the North

Channel. They got into devilment, but they were too bad. They were just full of life and carry-on. Two teenage neighbors, Andrea Ramsey and Amanda McAlonan, also Protestants, re-

membered how the boys loved to surprise them with kisses and then sprint off. "They were just playful, lovable wee devils," Amanda said. The two girls composed a poem for the hoys' Requiem Mass last Tuesday, prompting a burst of emotional applause from the Catholics and Protestants who packed the church. Titled "Tribute in Three Jolly Fellas," it concluded with the

I can still feel the cold, wet lips of when I kissed you and then you ran away So I guess the next few lines are going to have

I miss you so much, your little lips long to

Kisses and hugs. Rest in peace.

Israel Said to Seek Shifts On a West Bank Pullout

inegotiators met privately Monday in a in the weekend meeting. second round of discussions aimed at second round of discussions aimed at Bnt Prime Minister Benjamin Net-reaching agreement on an American anyahu, who has said a 13 percent with-

Israel was suggesting several changes to

near Jerusalem, came one day after the U.S. initiative at the Sunday talks. two sides held their first high-level talks

He said the Palestinians had told

The talks were mged by the United States, which after long mediation, failed to get Israel to agree to withdraw its troops from 13 percent of the West

The Palestinian leader, Yasser Arafat.

Bonn Opposition

Decries Planned

Holocaust Shrine

HAMBURG - A book publish-

er designated to be the top adviser on cultural affairs if the opposition candidate Gerhard Schroeder un-

seats Chancellor Helmut Kohl in

September spoke ont Monday against the planned national Holo-

The publisher, Michael Naumann,

said at a news conference in Pots-

dam, near Berlin, that it was much

more important to take care of the

crumbling former concentration camps and their museums, where the

horrors of the Holocaust are more

the higgest crime of its history as an

elegant, chic statue will sometime have to be accused of shameless-

Jewish leaders maintain that the

memorial will send a message to the

world about Germany's willingness

Mr. Naun

memorial were very close.

parliamentary election.

Social Democrats win the Sept. 27

eral government spends annually on

The national Holocaust memorial

project has been debated for more

than a decade, with argument over its design, location and purpose.

anthor, Guenther Grass, is among

those who want the project

scrapped, arguing that an atrocity

such as the Holocaust cannot be

remembered in a single monument.

the first design competition in 1995.

Mr. Kohl rejected the winner of

Germany's best-known living

culture, including memorials.

'I fear that a nation that displays

directly preserved.

Woche newspaper.

caust memorial in Berlin.

who accepted the American proposal in TEL AVIV — Israeli and Palestinian Ianuary, reported there was no progress

cace initiative.

drawal would be dangerous to Israel's

A television news report said that security, insisted Monday that an accord was possible.

The chief Palestinian negotiator, Saeb He said the Palestinians had told Israel

that the percentages in the American pullback plan were "nonnegotiable." Israel's Channel 2 television reported that the Israeli delegation was proposing to carry out a 10 percent pullback and turn the additional 3 percent into "nature reserves,"

to be watched over by both sides. Israel has also demanded that Mr. Arafat convene the 460-member Pal-estine National Council, as he did in 1996, to reaffirm the deletion of sections in the PLO Charter that call for the destruction of Israel.

But Channel 2 said that Israel would now agree to a ratification of the changes by the smaller 100-member PLO Central Committee, which would be easier to convene and more likely to approve the changes once again.

Defense Minister Yitzhak Mordechai, Syria Calls for Trials

said he recognized that the sides were, not close to a breakthrough. "There is a lot of work," he said. "I don't want to create any illusions. There are still issues that require decisions to



The Central Committee approved the Israeli police arresting ultra-Orthodox Jews on Monday for disrupting road building near ancient graves. The historic 1993 Israeli-Palestinian peace men denounced what they called desecration of Jewish graves; archaeologists have yet to identify the bodies.

Defense Minister XIIZDAR Monday To the new Inwho presided over the Sanday meeting.

Who presided over the Sanday meeting.

Syrin called Monday for the new InSyrin called Monday for the new International Criminal Court to try Israelis as war criminals, Agence France-Presse reported from Damascus.

This call came after the Saturday vote and must be punished by the internain Rome to create an international court to tional court."

try war criminals. Settling people in occupied territory was labeled a war crime, "Israeli settlement activity is a form cluding East Jerusalem. More than cluding East Jerusalem. More than 13,000 have settled on the Golan All were occupied in 1967. "Israeli settlement activity is a form of ethnic cleansing," the Syrian government newspaper Tishrin charged, adding: "Israel's crimes are countless

Heights. All were occupied in 1967.

The court's jurisdiction will be ex-ercised only if the country in which the crime occurred has ratified the treaty.

PLANTS: Europeans Shunning Genetic Engineering on the Farm

Continued from Page 1

patch of organic potatoes on his farm just a strawberry if we want to survive. They unnsually large number of small farms are changing the basic rules of life, and

to atone for its Nazi past. The head of Germany's Central they want to try it all out mus." 'Maybe they will get their way," he Council of Jews, Ignatz Bubis, critadded, referring to the failure of a recent icized Mr. Naumann's stance in an national referendum here on curtailing genetic engineering. "It happened in America. But it won't happen on this farm. Here we are going to live like God interview to appear in the Tagesspiegel daily on Tuesday.

"If that is supposed to be the hig vision of the culture man in the

be made on them."

federal government, all I can say is: intended. Prince Charles of Britain recently poor culture," Mr. Bubis said. Mr. Schroeder backed Mr. Nan-mann at the Potsdam news convoiced a common sentiment when he announced that no genetically ference, saying that his and Mr. altered food would ever pass his lips. "That takes mankind into Naumann's positions on the Berlin realms that belong to God, and to Mr. Naumann, currently the chief of Mr. Stropolitan Books-Henry Holt Inc. in New York, was named by God alone," he said.

The debate here about how - and whether -- to unleash the most powerful tools of modern biology says much Mr. Schroeder over the weekend to about the cultural and philosophical difbe his cultural affairs adviser if his ferences between pragmatic and riskready America, where genetic technology that focuses on food has largely been Mr. Naumann would coordinate the budget of 1.3 billion Dentsche marks (\$720 million) that the fedaccepted, and the far-more revicent people of Europe.

But it says more than that, because what happens to crops from Bialystok, Poland, to Bruges, Belgium, will have major consequences not just for farmers, but also for industrial policy and for fields like medicine, agriculture and pharmaceutical research.

Europeans do make distinctions. They see genetic engineering in the pursuit tif better medicine as worth a few moral doubts, and like many Americans, they are profoundly unsettled about the prospect of such research involving hu-

Yet often the differences between re-

trying to get tich by telling us that nature roumental movement rooted in the 19th isn't good enough and that we will have century philosophy that nature is as wise to take genes out of a fish and put them in as man, a fear of drastic change and the unnsually large number of small farms still run by families who are reluctant to end practices that have been honed over

> Recent history also plays a role, for in this part of the world the uses of genetics have not always been benign. In almost any discussion the dark but recent past also comes up.

> The shadow of the Holocaust is dense and incredibly powerful still," said Ar-

'It won't happen here. Here we are going to live like God intended.'

thur Caplan, an ethicist at the University of Pennsylvania. "It leaves Europe ter-rified about the abuse of genetics. Tu them the potential to abuse genetics is no theory. It is a historical fact."

Despite the victory for researchers in Switzerland, the battle for Europe continues to rage. Norway no longer accepts U.S. soybean imports because more than one-third are genetically modified to ward off pests. Austria and Luxembourg have totally banned genetically modified food.

In Prance — where food is never just food — the issue was recently put before the nation by a "citizens conference" that produced an ambiguous statement of "cautious" support for such crops. In Britain, vandalism has become so common at sites where genetically modified crops are tested that the government is considering concealing their locations.
"These people who say they are de-

fending nature simply harm the countries they pretend to protect," said

two years ago only deepened fears macentical giant that has energetically copie already had.

There are many ways to explain the "We have enough food in Europe. So fight to keep everything forever the way it is now. They move ahead by looking backward. It is so very egotistical."

obvious but not simple. Officials at the UN World Food Program estimate that up to 40 percent of the world's crops are destroyed as they grow tir before they leave the field. Attempts to find a way to protect them have therefore been in-

Scientists can now tell with precision which tif 50,000 genes in a plant governs a particular trait. If it is beneficial, they can take that gene out of one species - something that wards off a common insect. for instance — copy it and put it into another organism, which, along with its offspring, will then have a ge-netic structure that aids resistance to such pests.

In a way, that is nothing new. For centuries farmers have been trying to breed crops to make sure that the biggest

"What is this 'mad' science?" asked Joseph Zak, who is paid by the American Soybean Association to try to calm European fears about how soy products are grown in the United States. "It is just another step in the history of agricultural technology. It falls in the same line as when tractors replaced the horse. It's like when fertilizers came into the picture and when we moved to breeding to make n better product."

But consumers often see it as tampering with their food. And in Europe, where regulatory bodies are not nearly as powerful or as respected as the Food and Drug Administration is in the United States, the fact of manipulation drives people crazy. In addition, "mad cow" disease, which exposed fundamental



Kaspar Gunthardt checking the carrot crop at his technologically modern but organic farm near Zurich.

flaws in food-safety regulation, reminded people that science is never in-

"I am sure all this food is safe and that there might be some promise to it," Lianne Willier, 31, an accountant in Zurich, said. "If it helps poor people somehow, I'm all for it. But I would never feed something to my children that is not natural. It feels wrong to me, I guess, because if we make a mistake on this level, there is no going back. Saying we were wrong isn't going to be good enough."

Despite enormous experience that

shows the crops are safe to grow and eat, fundamental questions do exist about the possible uses of such technology.

There are dozens of varieties of genetically modified seeds - corn, soybean, potatoes and cotton are examples - that have been planted in the United States. Many more are on the way.

Soybeans that have been modified to tolerate an berbicide have revulutionized one of the world's most important crops. And, yes, it is now possible to take a gene from certain fisb, which permits it to tolerate the extreme cold of the deep ocean, and insert it into a strawberry.

"Who wouldn't feel a little strange about all of this?" asked Monsignor Elio Sgreccia, president of the Vatican Bioethics Institute, which closely fol-Inws debates about genetic technology.
"It is a troubling aspect tif a world that seems 10 be tnoving too fast, one in which people often make terrible mistakes in the name of progress

Using Taxes As Stick, U.K. Aims to Cut Car Travel

By Tom Buerkle International Herald Tribun

LONDON - In an ambitious attempt to reverse the traffic growth that is choking Britain's cities and clogging its highways, the governmetit announced broad plans Monday to impose new taxes on cars entering crowded urban areas, bolster spending on bus and rail services and even encourage parents to

walk their children to school. Juhn Prescutt, deputy prime minister and minister for transportation, said Britons needed to radically change the way they traveled to work, schools and shops to avert national gridlock in the 21st cen-tury. Road traffic has doubled twer the last 25 years and could rise by a further one-third in the next 20 years without reform, he said.

You can build more and more motorways, and they fill up as fast as you build them," he said. "What we need to dn is use cars less and public transport more."

The most controversial element tif the proposals aims to reduce traffic through so-called congestion pricing. Local governments will be given powers to charge drivers entering crowded urban areas and to experiment with rush-bour charges

on busy highway routes.

They also will be allowed to levy tax on businesses that provide

employee parking spaces. The measures could raise up to £1

hillion a year. But putting these plans into practice is likely to be dragged out by various reviews, a fact that under-

issue. The government held up the transportation proposals for several months, partly because of disputes over new taxes, and after intense business lobbying, the plans excluded earlier suggestions for tax-ing parking spaces at suburban

shopping centers.
It could be the next poll tax on wheels," Edmund King of the Ruy-al Antomobile Club said of the plan, referring to an unpopular tax that contributed to the downfall of Prime Minister Margaret Thatcher.

The plans, which incorporate ideas gaining ground in many parts of Europe, amounted to the biggest effort yet by the guvernment of Prime Minister Tony Blair to de-liver un long-standing Labour Party goals of improving public transpor-tation and safeguarding the environment.

But they were attacked by the opposition Conservatives and by motoring groups as all stick and nu carrot, piling new taxes on motorists without any gnarantee of viable transportation alternatives.

New taxes "will only be accept-

able if high-quality alternatives are in place first," Mr. King said. The Automobile Association also called for more transportation investment, saying that only one-quarter of the £30 billion raised annually by fuel and vehicle taxes is spent un highways and public transportation.

Nu one disputes the need for a big transportation shake-up. The London Underground has to block access to some busy stations at rusb hours to prevent crowds spilling off the platforms.

Complaints have soared and passenger numbers have dropped since the previous Conservative government privatized Britain's buses and railroads.

And with traffic jams now commonplace on the M25 highway that rings London and on highways linking the Southeast with cities like Birmingham and Manchester, business groups estimate that industry is losing £15 billion a year in wasted fuel and time.

Mr. Prescott sketched out plans for new regulations to bring co-herence to competing rail and bus services, encurraging them to cotirdinate schedules and fare plans.

He promised safety improvements around schools to encourage pupils to commute by foot -- only one in nine pupil between the ages of 5 and 10 does.

but has said that he remains committed to the project, which backers hope to build in 1999 with federal, search in plants and animals are com-Daniel Vasella, president and chief expletely blurred by sensational events. ecutive officer of Novartis AG, the phar-The cloning of an adult lamb in Scotland city and private funds.

Nigeria, Poised to Offer Civilian-Rule Plan, Frees 10 Foes

ABUJA, Nigeria - Nigeria's military ruler, General Abdulsalam Abubakar, pardoned 10 political detainees Monday before an expected anpouncement of a new plan to restore

Those pardoned and freed included three well-known journalists, Ben harles Obi, George Mbah and Kunle Ajibade. They were sentenced by a secret military tribunal in connection with an alleged 1995 plot to overthrow General Sani Abacha, the military leader who died of a heart attack June 8.

An official statement said General Abubakar would make a national broadcast late Monday.

The speech was expected to set out a new plan to restore civilian rule to the oil-producing country, which has been beset by years of political turnoil since the annulment of 1993 elections as Moshood Abiola, a businessman, was about to win. He was later arrested.

The broadcast was planned for earlier this month but deferred after Mr. Abiola's death of a heart attack July 7 in detention triggered ethnic riots in his southwestern stronghold.

Company of the Compan

General Abacha had been the sole candidate in presidential elections set for Aug. 1 and was due to hand over to a civilian ruler — almost certainly himself

— од Ост. 1. Government officials said they expected that General Abubakar would push back the handover date by about nine months to one year to allow for a complete reorganization of the electoral structure to allow a fair ballot. General Abubakar has won a great

deal of support from Nigeria's tradi-tional allies in the West for releasing

many tif the best-known political pris-

oners, including a former military ruler, General Olusgeun Obasanju, who was also sentenced over the 1995 plut.

Nigerian Radio said the French cooperation minister, Charles Josselin, told General Abnbakar at a meeting that he would try to get European Union sanctions lifted and had invited him to a French-African summit meeting in France, a visit that would be banned

under current EU visa restrictions. Under General Abacha, Nigeria was shanned internationally as a pariah state; his death appeared to offer a fresh bope of establishing democracy.

Risky Uranium Deal

An ingenious arrangement that has encouraged Russia to convert its stockpiles of bomb grade uranium into much less dangerous civilian reactor fuel and earn precious cash in the process could soon be undone. The Clinton administration, in a move that could easily disable the arrangement, is planning to sell off the United States Enrichment Corp., the government-owned company in charge of buying the Russian

As a private, profit-making busi-oess, the Enrichment Corp. will have strong inceotives to walk away from the Russian deal, which competes with its more profitable core businesses. There are just a few days left before the sell-off becomes final. Vice President Al Gore, who helped negotiate the Russian uranium deal, or President Bill Clinton could stop it and should.

Uoder the arrangement with Mos-cow, Russia blends down its bomb uranium to reactor fuel and sells it to the Enrichment Corp. Moscow is paid for its blending services in cash and also receives offsetting amounts of nat-ural uranium, a much less dangerous material, in compensate it for the un-derlying value of the uranium that it turns over to the United States. This scheme depends on Washington's ability to insulate uranium prices against adverse market trends. That leverage

would be lost under privatization. The Enrichment Corp. makes mod-est profits on the Russian deal, but much less than it does by enriching domestically obtained uranium in its omestically obtained transitm in its own facilities. As a private company it would be strongly tempted to cut back or even eliminate purchases from Russia, possibly by flooding the market with cheap natural uranium. Saving the Russian deal would then require large taxpayer sobsidies, which Congress might out approve

might oot approve.
Two of the most prominent critics of the privatization plan are Thomas Neff, the scientist who conceived of the Rus-sian uranium deal, and Joseph Stiglitz, who evaluated the economics of the sale during his term as Mr. Clinton's chief economic adviser. Senator Pete Domenici, a sponsor of the privatizaion legislation and the Senate's most influential voice on ouclear issues, recently urged the White House to review

the national security issues involved.

With private companies also wary of purchasing the Enrichment Corp., the administration has turned to the unusual expedient of selling shares directly to the public. That promises rich underwriting fees for Wall Street. But this deal offers little economic gain for the taxpayer and risks big losses for American ouclear security.

Hands Off the Surplus

that if we Americans are going to have a budget surplus, then "we ought in make sure we've got a loog-term plan in save Social Security before we squander that surplus oo tax cuts." He is right — and he defined what likely will be the major issue for the rest of this Congress.

The Republican leadership wants, if not to enact, at least to bold a vote on a sizable tax cut before the November election. But under the rules they have to find a way to pay for it, and they lack the votes for either the spending cuts or offsetting tax increases that would be required. That leaves the projected Social Security surplus, all the more tempting a target after the Congressional Budget Office raised its esti-

mates last week. The new estimate is large enough to take care of Social Security and finance a tax cut, both at the same time, said the House speaker, News Gingrich. He laid out a tax cut wish list. Eliminate the so-called marriage penmarried than they would single; cut the capital gains tax; phase out the estate tax, and let the self-employed deduct the full cost of their health insurance.

You cannot afford to leave \$1.6 trillion"— the long-range surplus estimate— "in Washington, D.C., where they will spend it," Mr. Gingricb said. "And so bere is a package that gets it all back bome. ... This is a

total winner for us politically." But the kind of tax cut he has in mind

President Bill Clinton said again would be wrong on the merits. It is also not necessarily a winner politically. The surplus that is being projected consists almost entirely of Social Security reserves. Social Security taxes are higher than necessary to pay Social Security retirement benefits. They were set that high to build up the trust fund in anticipation of the day, oot that far off, when the baby boomers would retire and the excess would be needed to cover costs. The rest of the bodget

remains in deficit. The right use of this Social Security surplus is to pay down the debt against the day when, to cover the costs of the boomers' retirement, the government again will have to increase borrowing. To use it instead to finance what woold be a mostly regressive tax cut would be lerrible fiscal and social policy. Our sense is that it would be terrible politics as well. Does Mr. Gingrich really think that a tax cut largely for the better-off financed out of Social Security re-

serves is a good sell? The long-term federal financial outalty, wherehy some two-earner look is still quite grim. The surplus is in couples end up owing higher taxes that sense an illusion. The last thing that Congress ought to enact just now is a tax cut. The Republicans mean oooetheless to try. They will find a way to fashion a bill that will he hard to

oppose as Electioo Day approaches. The president was implying Friday that he will oppose it even so, if it is oot properly financed. We trust he means it and won't fold. It is he who, we think, has the "total winner ... politically" in

this case. And this one matters.

—THE WASHINGTON POST.

Campaign Finance, Again

again taken up the issue of campaign finance reform. Under pressure from principled members of their own party, the Republican leaders have dropped some of the tactics used to block consideratioo of the Shays-Meehan hill, but it still has a loog way to go before it

gets the promised up-or-down vote.

The bill, named for Representatives Christopher Shays and Martin Mechan, would ban the "soft money" that allows unlimited special-interest contributions in political parties. These contributions have rendered meaningless the Watergate-era laws limiting contributions to candidates. Opponents have been trying to smother Shays-Meehan in proposed amendments that would delay final consideration indefinitely. But last week the sponsors and the House leadership announced an agreement that would reduce the number of amendments to 55. Total debate will be limited to 17 hours, a deadline that should bring about a final vote before the House recesses Aug. 7.

Passage by that date is essential if the measure is to have any chance of getting through the Senate this term. But the hill faces a second set of obstacles. Under a rule imposed by the House leadership, it also must get more support than a number of competing

campaign finance bills waiting on the

The House of Representatives has runway. Only then can it move on to the Senate, where Majority Leader Trent Lott is equally determined to thwart the will of the majority and stave off any serious campaign finance reform.

This week the bill will have to sur-

vive a barrage of amendments, none of which deserve passage. Some are intended to weaken its provisions. Many are simply ouisance amendments.

Bill Thomas, House Oversight Committee chairman and no friend to campaign finance reform, deserves some credit for working out the time-limit agreement. But members of the Republican leadership led by Majority Whip Tom DeLay seem mshaken in their determination to kill Shays-Mee-han. Speaker Newt Gingrich and Majority Leader Dick Armey have in come up with a timetable that will allow the vote they have promised be-

fore the fast-approaching recess.

If Mr. Gingrich and Mr. Armey break their pledge they will be exposed to their membership as legislators whose word is absolutely useless. They will be blamed when the slim majority goes home to run for re-election and has to explain why the party went to such lengths to protect the rights of hig-money special interests to

influence elections. -THE NEW YORK TIMES

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Instructional Herald Tribune, 181 Avenue Charles de Gaulle, 92521 Neuilly-sur-Seine, France.
Tel.: (1) 41.43.93.00 Fax: Subscriptions, (1) 41.43.92 l0: Adventising, (1) 41.43.92 l2; News, (1) 41.43.93.38.
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Before All Else, Japan Must Restore Confidence

TOKYO — The conventional wis-I dom says that Japan's voters have turned against a do-nothing prime minister and want serious economic reform. The conventional wisdom gets it

wrong, again.

If anything, Prime Minister Ryutaro
Hashimoto and the people around him
were too active. Their rapid-fire announcement of policies to cope with economic problems encouraged an initially apathetic electionate to see the July 12 upper house election as a vote of confidence in the economy. Put in those terms the verdict had in he thumbs down. The voters have little idea of what needs to be done.

True, the economic slump does seem puzzling and the temptation to blame the government is strong. Japan has had seven years to recover from the col-lapse of its "bubble" economy. Ac-cumulated savings, both personal and national, far exceed bad bank debts, government debts or any of the other deficits that are supposed to plague Japan. Its manufacturing sector remains as world-beating as ever.

The puzzle is solved when psychological factors are considered. The JapBy Gregory Clark

so on. This means a chronic lack of domestic demand, a problem for Japan even in the best of times.

Demand is further cut hy post-bubble pessimism and declines in asset values, which push the economy down
— which further encourages Japan's emotional consumers and investors to spend even less, which pushes the economy even further down. Uubelievably low interest rates, government exhortations and tax incentives all fail

to shake the mood of national gloom. One obvious solution to the downward spiral is for the government to do the spending that the private sector abhors. But on the advice of the 'experts," both domestic and foreign, the government last year set out to do the exact opposite. It raised the unpopular consumption tax, promised in drastically cut government spending and allowed major banks and securities

companies to go bankrupt.

Many of these reforms were theoretically correct, just as the fiscal policies that triggered the Depression anese save for a variety of reasons—
worrywart concerns about the future, a
lack of interest in lifestyle spending and
had a kind of logic, too. The timing just
happened to be bad. Japan's economy
has been in a coma ever since.

By Bruce Stokes

To their credit, the people around Mr. Hashimoto quickly realized the mistake and set out to reverse course. But that Big Bang deregulation of financial was like trying to make a supertanker do an about-face in a choppy sea. The ship then ran into an iceberg, the election. Now it has no captain.

True, a change in prime ministers could be as good as anything in helping lift the blanket of pessimism. But the revived opposition parties oow have an interest in blocking economic recovery so they can improve their chances in the next lower house election.

Meanwhile, most of the experts have yet to realize where they got it wrong. Having urged fiscal discipline last year, they now flay the government for its reluctance to cut taxes deeply. Tax cuts happen to be the weakest tool for economic revival, since their effects are delayed and much money ends up simply as surplus savings anyway.

The experts continue to arge immediate deregulation and restructuring, despine obvious evidence that the private ector will become even more tightfisted if there are any more bankruptcies. They have yet to learn that in an economy like Japan's, reforms can come only after confidence has been restored.

They blame the government for the lomat, contributed this comment to the weak yen. Yet the two measures they. International Herald Tribune.

urged on the government to revive the economy - minimal interest rates and transactions - guaranteed that the yen would weaken.

Much of the reason for this bad advice is a mind-set that any recovery should be based on private rather than government initiative. That is understandable given the corruption and waste in much government spending. But in that case the experts should pay more attention to land policy, the one area where deregulance and tax cuts could easily spark a recovery led by the private sector.

A recovery could soon turn into a boom, as the people who made fortunes from land during the bubble years rusb to break open their savings and seek to make yet another bundle.

Indeed, real estate prices have already fallen enough to attract foreign investors. But Japan's herd-instinct investors will not move until they are sure that prices are rising — and so the downward spiral continues. Immediate and massive injection of public funds into the economy is the only answer.

The writer, a former Australian dip-

A Little Tough Love From Clinton and Greenspan Is Needed

WASHINGTON — In the last few days, the political instability in Tokyo has led Clintoo administration offi-cials to pull their punches, lest they trigger a collapse of the yen and new turbulence in

equity markets. But now is not the time for faintheartedness. The global financial system is teetering on the edge of the abyss, and fixing the Japanese economy is the only way to avoid disaster. Now is the time to apply new pressure on the Japanese gov-ernment to finally institute meaningful economic reform to end its recession. The Clinton administration may never again

have such an opportunity.

In the next few days, Washington oeeds to make two phone calls to Tokyo. And the message has to be tough love. As soon as the ruling Liberal Democratic Party chooses its new leader, President Bill Clinton needs to call the presumptive new prime minister.

Ryutaro Hashimoto the Herbert Hoover of Japan, Mr. Clinton should advise the new Japanese leader that he can be Japan's

Franklin Roosevelt. To gain public confidence and to signal the end of business as usual, Mr. Clinton should advise the prime minister to give a "fireside" talk to the nation. The oew Japanese leader should say that Japan faces its worst danger since 1945 and stress that the solution will require sacrifice, including large amounts of taxpayers' money.

Mr. Clinum must insist that this rhetoric be backed by a major new economic stimulus package. In a forthcoming study, Adam Posen of the Institute of International Economics recommends an infusion of 20 trillion yen, roughly 4 percent of the Japanese gross domestic product.

Much of the stimulus should come in the form of a cut or Noting that the press called limitation in the scope of Ja- should insist on no delay in

pan's consumption tax. Exempting new housing or cars from the sales tax would ensure that money injected into the economy was actually spent and not just maked under the futon.

Mr. Clinton must firmly reject the likely protest that Tokyo has already tried fiscal stimulus to no avail. In fact, the seven stimulus packages that Japan has undertaken in the 1990s delivered less than half their announced amount, averaging less than 0.6 percent of GDP. By comparison, in the last three decades major fiscal initiatives by other industrial nations in economic slumps have

averaged 2.2 percent of GDP. The second call should be from Federal Reserve Chairman Alan Greenspan to the

bead of the Bank of Japan. Mr. Greenspan should urge his counterpart to turn on the printing press to ward off deflation. Moreover, Mr. Greenspan

cleaning up the more than \$600 billioo in bad loans on Japanese banks' balance sheets. He should point oot that financial markets are driven by symbolism and that the surest sign of change would be to let some big bank fail. Since Tokyo lacks sufficient auditors and bank inspectors, Mr. Greenspan should offer a bankers' Peace Corp' — foreign expertise — to belp.

Then Mr. Greenspan should drop the boom, exercising the leverage necessary to ensure that his and the presideor's calls are taken seriously.

Citing his responsibility to rotect American depositors in U.S. banks, which have great exposure to essentially bankrupt Japanese financial institotions through the interbank lending market, Mr. Greenspan should tell his counterpart that he has 30 days to clean up Japanese banks' balance sheets or the Fed will begin to restrict the ability of Japanese

financial institutions to do

business in the United States. Such a threat would dramatically drive up Japanese banks' cost of borrowing globally, forcing Japan's economic elite to pressure the new leader to act.

These calls carry some risk. Leaning on Japan oow could cause international currency and stock markets to tank. But the gamble is oot nearly as risky

as it appears.
History suggests the oew Japanese government will equivocate instead of taking bold action, And, if Japan fails in reverse course, the consensus on Wall Street is that the yen will inexorably weaken, slowly pulling down the rest of Asia and eventually America. For the Clinton administration, not making these calls only delays the inevitable. Making them now might avoid

The writer, a senior fellow at the Council on Foreign Relations, contributed this comment to the Herald Tribune.

theoretically to such a court would be "dead on arrival" in

But a president with visioo,

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and with a hackbone, would oot

have let that undo America's

championship of the rule of

great opportunity. His delega-

tioo won significant protections

against frivolous prosecutions.

He could have embraced the

ootcome in Rome as a victory.

for American principles - and

then, if the Secate said "no,"

waited for time to bring us in.

After all, it took 40 years for the

President Bill Clinton had a

the Senate. Perhaps so.

the unimaginable.

Mr. Scheffer argued that, as a treaty exposing Americans even

America's Humiliating, Stubborn Performance in Rome

UMBERTIDE, Italy — When the Rome conferinternational criminal court, after a month of tense debate, attention focused oo the compromises and the politics. But what happeoed in Rome last week was more important than

as a turn in the road of history. An overwhelming oumber of countries embraced the principle that government leaders and their agents are to be personally accountable, at law, when they commit genocide or crimes against humanity. A per-manent court will judge them.

the details. I think it will he seen

The need for such a court in

ence agreed oo a charter for an id Scheffer, the ambassador States. It fought to weaken the who led the U.S. delegation at the Rome conference. court, using hard-boiled tactics to try to bring American allies

"We live in a world following the Cold War," Mr. Schef-fer said, "where mass killings, mass rapes and other atrocities are occurring with shocking frequency. The rule of law, which the United States has always championed, is at risk again of heing trampled by war criminals whose only allegiance is to their own pursuit of power."

One cannot read those words now without a sense of iroov and regret.

For the great disappointment our age was movingly ex-plained earlier this year by Dav-performance of the United negative minority?

By Anthony Lewis

around to its position. In the end the United States insisted oo a vote — and was bumiliated. The vote was 120 to 7 for the treaty without further amendment. America was in the company, oo the losing side, of Iraq, Libya, Qatar, Yemen, China and Israel.

The United States has been a staunch supporter of the ad hoc war crimes tribunals for the former Yugoslavia and Rwanda

— tribunals that are increasingly effective. How, then, did

of domestic prosecution by the country of the suspect's nationality. There are oumerous procedural steps to delay or halt prosecutions.

political prosecutions. If the court had existed during the Gulf War, for example, Iraq might have called for prosecutioo of American soldiers

superpower with forces around.

the world, the United States

might become the target of

The concern is fair enough. But the treaty as drafted goes very far to meet it. No case can be brought in the international court if there has been a genuine investigation and consideration

The United States insisted that prosecution of a citizen of a state that has not signed and ratified the treaty be barred un-less it consented. Bot others thought that would weaken the court's legitimacy. It would have prevented the prosecution of Saddam Hussein for war

crimes his forces committed in

Kowait - unless he consented.

It was puzzling that the United States so misjudged the moodthe commitment - of its friends. Countries that have suffered from tyranny, among them Germany and Argentina and South Africa, spoke with special authority for a strong court. Canada

positioo may have been Senator sse Helms, who said any

and Britain played key roles.
The real reason for the U.S.

Senate to ratify the convention against genocide. As it was, American ideals were represented in Rome by such nongovernmental organizations as the Lawyers Committee for Human Rights and Human Rights Watch, whose ar-

guments belped give the del-egates the strength to stand up for a real court. Their spokesmen

were sad that the voice of the United States was so muted. American participation will be missed by the new court, which will take form after 60 countries ratify the treaty. But there is enough support from substantial countries to make it work. To be a real deterrent to barbarity, the court will need years to establish itself.

But so did the American coostitutional system.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: Cuban Destiny

NEW YORK -- That the Cuban insurgents may take the field in irregular warfare against the United States troops because of their chagrin at being debarred from the administration of Santiago has been foreseen. But when the Cubans begin to realize that the United States expeditions are primarily under-taken in the interests of the United States and not on behalf goatskin shield of Zeus). But that of the "reconcentrados," or to put them in possession of the island, they will have a clearer view of their destiny.

1923: Villa Is Killed

cho) Villa has come to the end of his spectacular career, during which he defied the Mexican government and had the honor to have an American force invade Mexico for his capture and return empty-handed. Villa

met his death during an uprising near his bome. He had grown into the most formidable force m Mexico, first as a bandit raiding the rich rancheros and later as a serious contender for the rule of Mexico. He maintained always that he was acting only for the peons, that they should have the land on which they toiled.

1948: Plan for Europe THE HAGUE - The French del-

egation to the consultative council of the five Western Union states made here this afternoon [July 20] two of the most far-reaching proposals that have been heard in a long time at an international conference. It asked, first, for the creation of an all-European as-sembly, and it followed with a cal-for full economic union of the five Western Union countries, or any part of them. This was a double bid for steps to be taken leading toward the federation of Europe politically and economically.

Herald Eribune

ESTABLISHED 1887

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WASHINGTON — Imag-ine you are the oext U.S. president and this crisis arises: The starving army of North Korea launches an attack on South Korea, imperiling our 30,000 U.S. troops. You threateo massive air assault, Pyongyang counterthreatens to put a ouclear missile into Hawaii. You say that would cause you to obliterate North Korea; its undeterred leaders dare you to make the trade. Decide.

Or this crisis: Saddam Hussein invades Saudi Arabia, You warn of Desert Storm II; he says he has a weapon of mass destruction on a ship near America and is ready to sacrifice Baghdad if you are ready to lose New York, Decide.

Or this: China, not now a rogue state, goes into an internal convulsion and an irrational warlord attacks Taiwan. You national secret, these men with threaten to intervene, within 10 minutes, ICBMs are targeted on all major U.S. cities. Decide.

predecessor that it was highly unlikely that any rogue state "except possibly North Korea" would have a nuclear weapon capable of hitting any of the "contiguous 48 states" within 10 to 12 years. (That's some exception; apparently our strategic assessors are untroubled at the prospect of losing Pearl

You have no missile defense nations' weapons development before you would have to de-But the CIA record of preBy William Safire

A Shield Against Nuclear Blackmail

diction is poor. President George Bush was assured that Saddam would have no nuclear capability for the next 10 years; when we went in after he invaded Kuwait, however, we discovered Iraq to be less than a year away. And India, despite our expensive satellite surveillance, surprised us with its recent explosion.

Six months ago, Congress decided to get a second opinion about our vulnerability. Donald Rumsfeld, a former defense secretary, was named to lead a bipartisan Commissioo to Assess the Ballistic Threat to the United States, Its nine members are former high government officials, military officers and scieotists of unassailable credibility. Cleared for every command experience had the advantage denied to compartmented CIA analysts.

Before you do, remember The noclassified summary of this: In 1998, the CIA told your this "Team B's" 300-page re-The noclassified summary of port was released last week and is a shocker. The direct threat to our population, it concluded. "is broader, more mature and evolving more rapidly than has been reported in estimates and reports by the intelligence community.

Not only are Iran and other terrorist states capable of producing a nuclear-tipped missile within five years of ordering it in place. The CIA assured your up; they are capable of skipping predecessor you would have the testing and fine-tuning we five years' warning about other have depended on as our cushion to get defenses up. That means, the commission concluded, the warning time the United States will have to develop and deploy

a missile defense is near zero. Let's set aside our preoccupatioo with executive privileges and hospital lawsuits long

enough to consider the consequences of Team B's judgment. The United States no longer has the luxury of several years to put up a missile defense, as we complacently believed. If we do not decide now to deploy a rudimentary shield, we run the risk of Iran or North Korea or Libya building or buying the weapon that will enable it to get the drop on us.

Mr. Rumsfeld's commissioo was charged only with assessing the new threat and not about what we should do to meet the

Nine serious men concluded unanimously that our intelligence agencies, on which we spend \$27 billion a year, are egregiously misleading us. Smiling wanly, the director of central intelligence, George Tenet, re-sponded that "we need to keep challenging our assumptions."

Wrong; we need to defend ourselves from the likely prospect of surprise nuclear blackmail. A first step is Aegis, a naval theater defense (named after the requires this president to redefine a 1972 treaty with the Soviets that he thinks requires us to remain forever naked to all our potential enemies.

The crisis is not likely to occur as Bill Clinton's sands run ont. EL PASO — Francisco (Pan-His successor will be the one to pay - in the coin of diplomatic paralysis caused by unconscionable unpreparedness - for this president's failure to heed Team B's timely warning in 1998.

The New York Times.

OPINION/LETTERS

Stars, Bars and Hype: Old Glory's Face-Lift

By Frank Rich

Raiph Lauren Polo outlet store with the Clintons, the Senate took should only get a bargain as good as Ralph Lauren got in Washington. For a mere \$13 million, given by his corporation, Mr. Lauren (net worth \$2 billion, according to Forbes magazine) last week received. an avalanche of publicity that would cost far more in the open market, even if you could get it wholesale.

The \$13 million was a donation to the restoration of the original 185year-old Star Spangled Banner that hangs in the Smithsonian Institution's National Museum of American History. (The total cost of the restoration project is \$18 million Americans should be grateful they are not also restoring the pole.)
For his beneficence, Mr. Lauren

received around-the-clock cable ews headlines wrapping him in the flag, landatory newspaper articles nationwide and the first couple's testimonials for his products. Hillary Clintoo praised Polo fashions — which are de-signed to make all shoppers feel like members of a restricted Anglophiliac country club — as the quin-tessence of "American style." President Bill Clinton chimed in: You know, most of us have well, maybe not most of us, but a lot of us, including Hillary and me — have these great Polo sweaters with the American flag on it."

Perhaps it was such presidential exuberance about cross-promoting those sweaters (\$165 to \$195 at Polo Sport on Madison Avenue) that prompted the Smithsonian's I. Michael Heyman to say, "We've been assured that this is a philanthropic

gift and not a marketing gift." This is reassuring news coming from a museum director whose reign has included his Air and Space Museum's exhibition promoting the movie "Star Wars." Still, assuming Mr. Lauren's motives are only the highest (his gift kicks off the first lady's laud-able 'Save America's Treasures" campaign for historic preservation), you have to wonder what Francis Scott Key would make of such other flag-adorned Polo products as Coolessence Body Spray, Gel Body Moistur-izer and Fitness Fragrance. Does the "twilight's last gleaming"

really require a deodorant? Mr. Lauren was oot alone in finding public relations profit in the flag this month in Washington.

time out from creating a loopholeridden "patients' bill of rights" to contemplate abridging the Bill of Rights that Americans already have with an amendment outlaw ing flag desecration. The center-piece of the Senate hearings was testimony by Tommy Lasorda, the Los Angeles Dodgers' general manager, who recalled a tranmatic flag-burning incident at Dodgers Stadium, albeit in 1976.

Flag burnings have not exactly been the rage in the two decades since that dark day in National League history, but logic may have little to do with the push to wipe out flag desecration. Eric Foner, a Columbia University historian whose new book, "The Story of American Freedom," is due out this fall, says that "at most points in American history, people don't get riled up about the flag. It's

there, it's fine, they respect it.'

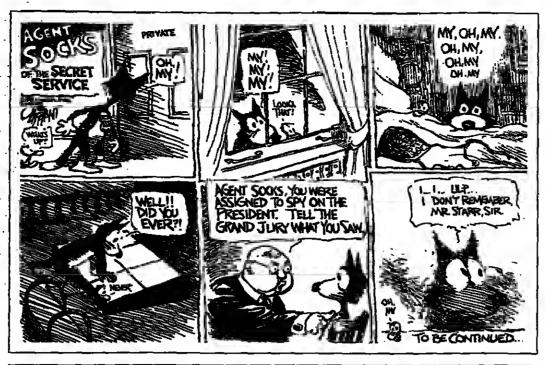
Congressional flag obsession
in the 1990s, he notes, echoes
what happened in the 1890s, when an outbreak of local flag protec-tion laws was prompted by "a lot of immigration ... and the fear of a loss of homogeneity in the

Mr. Foner, a scholar of Reconstruction, suggests that if Congress was really serious about flag desecration it might outlaw the Confederate flag, for 'what symbolizes disrespect for the American flag more than display of the Confederate flag?'

Instead, Congress is pursuing a fast and loose constitutional amendment that could lead to the criminalization of Jasper Johns paint-ings, AT&T's stars-and-stripes ings, AT&T's stars and stripes cellular phones or, perhaps, of the Christian Coalition, whose mem-bers often don non-Polo flag-motif apparel at their annual conventions.

For Ralph Lauren, this law will be the proof that no good deed goes unpunished: No sooner is he celebrated for generously pre-serving the flag than be may find himself under arrest for desecrating it by plastering its image oo a tube of body scrub. Is this American justice?

The designer Tommy Hilfiger, who has given not a dime to flag reservation and whose own logo knocks off Old Glory without reproducing it, will escape scot-free. The New York Times.



LETTERS TO THE EDITOR

American Ego Trip

Regarding "For a Bipartisan Policy of Principled Engagement With China" (Opinion, July 7) by James A. Baker 3d:

Mr. Baker says that the United States must "maintain a credible military presence in the Pacific to promote peace and stability and to guard against any other country's emptation to think in hegemon-

Now if that is not an example of gemonistic thinking what is? Most U.S. foreign policy disasters
— Vietnam, Lebanon and Somalia, to name just three -- stem from

such ego trips. Unfortunately, this condescending attitude is not Mr. Baker's alone. He is merely echoing a sentiment accepted, and vigorously acted upon, in Washington's corridors of power since the introduction of the Monroe Doc-

trine in the early 19th century. AHMED SHUMLY. Colombo, Sri Lanka

Curbing Small Arms

Regarding "U.S. Joins o World Call for Small-Arms Curbs" (July

Officials of 21 countries recently discussed ways to curb the trade in light weapons with nonstate actors. We represent oongovernmental organizations working to prevent the transfer of

light weapons to areas of violent conflict and welcome this initiative. We fear, bowever, that it addresses just one aspect of the

problem Overt and covert transfers to abusive government forces still account for the lion's share of light weapons transactions. If this aspect of the arms trade is ignored, the lives of countless civilians who are the true victims of today's conflicts - may be imperiled.

It is also worrisome that some governments are reportedly trying to keep nongovernmental organizations at arm's length in this

The Clinton administration in particular seems anxious to avoid a repeat of the partnership between governments and nongovernmen-tal organizations that produced a ban oo land mines. These tactics are not only isolating America but, by putting human lives at risk, may come back to haunt us all.

LORETTA BONDI and KATE JOSEPH.

Ms. Bondi represents Human Rights Watch and Ms. Joseph represents the British American Security Information Council for the Light Weapons Monitoring

AIDS Testing

Judith Kumin, the chief spokes-

man for the United Nations High Commissioner for Refugees ("Refugees and AIDS," Leuers. July 17), states that mandatory testing for AIDS should not be

pursued among refugees. Israel has for years required testing of certain refugee groups from AIDS-prevalent regions,

including all pregnant women. Confidentiality has been preserved, and testing is carried out only after the refugees bave become full citizens. All HIV-positive patients in these refugee groups are treated with the most modern medicines.

Israel has a low incidence of AIDS. Testing is obligatory in certain high-risk refugee groups because AIDS is now a treatable disease and is preventable in the newborns of HTV-positive

> SANFORD F, KUVIN. Jerusalem.

The writer is chairman of the international board of the Kuvin Center for the Study of Infectious and Tropical Diseases.

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Killing The New Yorker With Glitz and Gloss

By Jonathan Yardley

WASHINGTON — According to Harvey Weinstein, rman of a Disney offspring called Miramax Films, Tina Brown "creales the most interesting magazines, finds the hottest journalists and has her hand on the cultural Zeitgeist.

With those words Mr. Wein-stein pledged his troth to Ms. Brown, who sashayed away from The New Yorker the week before

MEANWHILE

last and into the arms of Miramax, thus making official what had always been plain: that she is Hollywood to the core.

It says more than one may wish to contemplate that Tina Brown is now a preeminent figure in American print journalism, not to men-tion that her departure from The New Yorker was reported at length and in language not far short of such ordinarily reserved for political upavals or thermonuclear conflict.

It also says more than one may wish to contemplate that Mr. Weinstein probably is right: not about Ms. Brown's magazines, which are more banal and shallow than interesting, but about the hand with which she so unerringly locates and strokes the ''cultural Zeitgeist.''

Alas, the geist of this particular Zeit is glitz, glitter and gloss, with all of which Ms. Brown possesses an intimacy not seeo since Jacqueline Susann went to her reward. Her Oxford education and British accent may lend her a patina of class, but at heart she is all show business and brittle trendiness, these being precisely the qualities out of which successful careers are now fashioned in the media.

Her move to Miramax and Hollywood is the logical and perhaps inevitable next step in a career that has been devoted in more or less equal measures to high-visibility umalism and self-promotion.

In England nearly two decades ago she made the Tatler into the talk of the town by refabricating it as a sleek, nasty gossip sheet. In the mid-'80s she crossed the Atlantic and applied much the same formula to Vanity Fair, which Coodé Nast had attempted to resuscitate with, theretofore, disastrons results.

Then, six years ago, she moved to The New Yorker and embellished her éclat still further by

115- 2009 .. 4 . 1000

transforming what had once been the best of all American magazines into yet another slick, cheap rag. The magazine she edited was The New Yorker in name only,

though she retained some of its quirks of typography and design. It is true that its fiction, so celebrated in its heyday, had begun to languish long before her arrival. It is also true that she applied the kiss of death to it.

The much-touted summer fic-tion issues published during her tenure were far less occupied with fiction per se than with the novelist as celebrity and with the inner workings of the publishing trade. She managed to reduce fiction, as

she did everything else, to gossip. That Ms. Brown pulled this off without completely alienating the magazine's core readership is tribute oot merely to her guile and

Tina Brown brought the magazine down to her level.

resourcefulness, which must never be underestimated, but to the deep attachment that readership feels toward The New Yorker.

Tina Brown did not destroy The New Yorker, that process, like the decline of its fiction, began well before she arrived and was the coosequence of forces far beyond her, or anyone else's, control.

What she did do was trivialize it. Where once it had been the topic of and inspiration for serious conversation, it was never anything more elevated during her editorship than an instrument of, and a slave to, buzz. Under her aegis a magazine that had once possessed sufficient independence and integrity to tweak, even humiliate, the mighty bowed and scraped before them. It was, at its most rancid, nothing more than a showbiz-Hollywood gossip sheet, which brought it precisely to Ms. Brown's level.

That is why it is difficult to feel anything except a measure of meanspirited glee at the news of her departure. How can - and why should? — one mourn a magazine that bears no resemblance to its true, extinguished self? All things, like all creatures, have their day. The New Yorker's ended long ago.

The Washington Pasi

BOOKS

SIGHT READINGS:

American Fictions By Elizabeth Hardwick. 284 pages. \$26.

out in an open boat where his curiosi and great intelligence seem to sail on and on, wherever.

The same might well be said of Hardwick's own sprightly essays, collected, most recently, in "Sight Readings: American Fictions." Although most of these pieces were the result of arbitrary assignments from an assortment of publications, they are held together by the author's free-ranging, speculative intelligence and her flashing prose. Together, they provide the reader with a bright, breezy window on a century of American writing, from the novels of Edith Whar-

Discursive in form, meditative in around their subjects, as Hardwick amplifies her observations with historical analogies, personal asides and sharp chitecture of the Beaux-Arts period."

apercus. She writes with an ample knowlaperçus. She writes with an ample knowledge of literature, scripture and pop cul-ure, and she uses that knowledge to that place — the place where a writer illuminate her subjects with witty, un-expected analogies that make her points first imprinted his imagination—plays in illuminate her subjects with witty, un-

By Robert Byrne

Kasparov, teamed up with a computer

against another human, the Bulgarian grandmaster Veselin Topalov, along with another computer, for what Kasparov termed a match of "Advanced Chess."

After the six-game period finished in a 3-3 tie, the four-game tiebreak games

began. The players were not permitted to

use their machines in the tiebreak. Kas-

parov, as Black, won the final game. His margin of victory was 5 1/2-4 1/2.
In regulation Game 2, Kasparov played

GRUENFELD DEFENSE

N unusual type of "partner" chess A was organized by Garry Kasparov in Leon, Spain, in June. A buman, himself,

with panache. She can also be very funny: Mary McCarthy's thinly veiled fictional portraits of her former husband Edmund Wilson, Hardwick wryly observes, were

Random House. \$26.

Reviewed by Michiko Kakutani

Of John Updike's literary criticism, felizabeth Hardwick writes: It "does not hug the shore but instead sails criticism and open hope where his criticism." suggests that Philip Roth's novel "Op-eration Shylock" grapples with charges that he has defamed the Jews, allowing us to think of him as a kind of "Richard Jewell, falsely accused in the 1996 Olympic bombing in Atlanta." She compares Gertrude Stein's demanding, re-petitious ocuvre to that of Philip Glass.

Her sketches of the writers themselves can be equally entertaining—and telling. Stein is described as being a "tough root" native to the Old World, while Cheever is depicted as an "Episcopalian anarch" who "existed lifelong in captivities imposed by the complications of ton and Henry James to the fiction of John Updike, Philip Roth and John Cheever.
Discussive in form, meditative in his manne, his masks, his loyalties and the protection of his talent." Of Edith Wharton, Hardwick writes: "In her finesse and mood, these essays tend to meander talent, her glamour and worldliness, she shares in some of the renewed affection for the threatened New York City ar-

shaping an artist's work. She describes Margaret Fuller as "a sort of stepchild, formed and deformed" by the rarefied intellectual world of Concord and Boston, an intellectual landscape unsuitable "not only to the fact that she was a woman who

had to earn her living but to her nature."

She argues that the so-called Prairie Poets, Carl Sandburg, Vachel Lindsay and Edgar Lee Masters, were indelibly marked by "birth or youth in Illinois which left them with proprietary feelings about the country, a longing to transform its "restless genetic material" into "a hardy stock with the name 'American' on it, like a packet of sunflower seeds."

Most of these essays, for that matter, underscore Hardwick's interest in the connections between an artist's work and life, and the disparity between that life and the "life" so often depicted by biographers, a species of writer Hardwick describes, with some distaste, as "the quick in pursuit of the dead."

Although Hardwick's own essays are not blind to the "pathos of autobiography lurking" in a text, they are sophisticated in their understanding of the alchemical, imaginative transactions of art and the importance of style and craft. Indeed. Hardwick reveals herself as a shrewd, tough-minded critic, adept at both describing the delicate clockwork mechanisms that lie behind the polished face of a writer's work and giving the reader a ficrcely tactile feeling for his prose.



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a sedate queenside opening, as be did throughout this match, smashing through when Topalov and his machine overlooked a lethal combination. After 6...d5, the game became a Neo-

CHESS

Gruenfeld Defense, disputing whether the black center pawn would curb the latent power of White's fianchettoed king bishop. Exchanging pawns with 7 cd cd prevents Black from later exchanging with ...dc and counterattacking with ...c5 at an opportune moment; it also brings at an opportune moment; it also brings about a symmetrical position in which White counts on finding a way to exploit the slight advantage of the first move.

In solidifying his center with 3...e6, Black prepares for 9...Nfd7 to challenge the intruder knight at e5. He does oot carry out this plan directly with 9...Nc6 because 10 Nc6 bc 11 Na4 creates a backward of pages. White is trap-

backward c6 pawn. Once White is provoked to play 10 f4, however, Black can go ahead with 10...Nc6 because 11 Nc6 bc 12 Na4 Qa5 followed by 13...Ba6 gives him active play, whereas the white queen bishop is not effective.

After 10...Nc6 11 Be3 f6 12 Nf3 f5 13 Ne5 Nb6, Kasparov did not sideline his

queen bishop but used 14 b3!? to keep a black knight from going to c4.
Kasparov's 16 Bc!! was not an easy move to cope with. Maybe Topalov should have fried 16...Nb4 17 Qd2 25. but after 18 a3 Nc6 19 a4 Re8 20 Ba3 Bf8 21 Bf8 Rf8 22 Rfc1, White has the advantage. In any case, Topalov's 16...Ne5?! gave his opponent a serious



Position after 33 . . . Ba3

superiority in space after 17 de. After 26 Na4 Rc1 27 Rc1, Kasparov had taken over the c file, the only open file on the board.

After 33 Na4, the black position was a mess. Neither Topalov nor his computer fathomed the terrible trouble facing them. Otherwise, how can the egregious blunder, 33...Ba3?, be explained? Kas-

parov put him out of his pain with 34 Qc8! Rc8 35 Rc8. After 35... Kh7 36 b6l, Topalov had no defense. Thus, 36...Be7 37 Bc5 Bc5 38 Nc5 sets up the unstoppable 39 Rc7. Topalov gave up.

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INTERNATIONAL

Investigators of Rapes During Indonesia Riots Report Threats

By Seth Mydans New York Times Service

JAKARTA — Human rights workers who are investigating scores of organized gang rapes during three days of rioting here in May say they and the victims have been receiving threats from unidentified men.

In interviews, the investigators said they had confirmed the rapes of 168 wom-en during the riots, of whom 20 died during or after the assaults. They said they presumed that many other women had either fled the city or were too traumatized

to report their rapes.

Some victims have been cowed into silence by threats or by rumors of another round of attacks and rapes, the investigators said. Some have committed suicide.

INDONESLA: Keeping Pupils in School

Continued from Page 1

at least 20 percent of all pupils have dropped out in the past year because their parents or guardians could no longer afford to keep them in school.

Mr. Sudarsono, a former dean of the Faculty of Social and Political Science at the University of Indonesia, says he fears that this oumber will grow apace with johlessness and poverty, creating an army of illiterate or semiliterate malcontents who will be unqualified for deceot jobs even when the economy recovers.

"I want to prevent a lost generation of young Indonesians," Mr. Sudarsono said in an interview. "They could be deprived of their opportunity to get ahead through

In response to the problem, the government has turned to the World Bank and the Asian Development Bank for assistance. The result is a scholarship and school aid program, funded by both banks at a cost of \$390 million, that is supposed to assist an estimated 25 million Indonesian schoolchildren over the next five years.

"The World Bank and ADB loans provide us with a rescue program which will decrease the number of dropouts substantially, although it certainly won't solve the problem" Mr. Swdarsono said.

In the Indonesian system, primary schools enroll children from age 7 to 12. The next level covers pupils from age 13 to 15. Mr. Ilyas, the laid-off dock worker, bas uree children at this level.

Mr. Sudarsono's main focus is on this

Youngest Candidate

For Prime Minister

Leads Poll in Japan

TOKYO - Health Minister Ju-

nichiro Koizumi, Japan's youngest

contender to be prime minister, is the

public's favorite choice for the post.

according to an opinion poll showed

But in a possibly more significant finding, the poll showed that the veteran

politician Seiroku Kajiyama, 72, is the

top choice of supporters of the Liberal

Democratic Party, top members of which will make the decision Friday.

Foreign Minister Keizo Obuchi, 61,

once front-runner in the race to replace

Prime Minister Ryutaro Hashimoto,

was last among the public at large and

tied with Mr. Koizumi, 56, among

The survey by the national television network Tokyo Broadcasting System was the first sizable opinion

poll on who should be prime minister since Mr. Obuchi, Mr. Kajiyama and Mr. Koizumi announced their candid-

Despite his good showing with the

public in opinion polls, most analysts

said they expected Mr. Koizumi to be

the first candidate knocked out when it

comes time for the faction-ridden

party to vote.

The analysts said the health minister

did not have the deep support in the party of his older candidates. They

expect the final battle to be between

Mr. Hashimoto is quitting because

of the Liberal Democrats' stunning

Mr. Ohuchi and Mr. Kajiyama.

setback in elections July 12.

Liberal Democratic supporters.

Monday.

The rights workers said they had beard stores that were set on fire by arsonists. reports of additional rapes and sexual assaults in the weeks after the riots.

Most of the attacks, like most of the looting and arson, were directed against the ethnic Chinese minority, which often becomes a scapegoat in times of conflict or hardship in Indonesia. The human rights workers said their

continuing investigation had reinforced their belief that the rapes, including some of girls as young as 9, had been organized and coordinated in the same way as moch of the looting and arson.

Nearly 1,200 lives were lost in akarta in

the May 13-15 riots, which led to President Suharto's resignation May 21, after 32 years in power. Most of those who died were looters trapped inside large department

A growing body of reports from witnesses bas confirmed that many of the attacks on property and residents, includ-

ing the rapes, were instigated or carried out by organized groups of up to a dozen men. These groups traveled the city in vehicles, inciting crowds to violence, according to reports released by the government's National Commission for Haman Rights and the Jakarta Social Institute appropriate Perman Catholic charity. Institute, a private Roman Catholic charity

that is investigating the riots.

Suspicion has fallen on the military or other security forces, particularly after the military acknowledged last week that members of its special forces had been involved in kidnappings of opposition ac-nivists in the weeks before the riots.

On Friday, about 100 women demon-strated outside the Defense Ministry, oemanding that the military take respon-sibility for the rapes. They displayed a poster depicting troops sexually assaulting women and held up a banner that read, Indonesia! Republic of Fear, Republic of Terror, Republic of Rape!"

The threats against workers at women's crisis centers and against some victims who have called the centers also indicate the involvement of people able to monitor the organizations and their telephone lines, said Ira Nadia, an organizer of Vol-unteers for Humanity, a private aid

group.
"We have received telephone calls and anonymous letters terrorizing our workers," she said. "They say they will

rape the females and castrate the males."

The Reverend Sandyawan Sumardi, who heads the private Jakarta Social Institute, said he had also received threats. In addition, he said, threats have been made against witnesses, family members and

bospital workers who treated the victims.

Because of fears that security forces are involved, victims have avoided reporting the rapes to police, said Kamala Chandrakirana, a spokeswoman for Ms. Ita's group, which has up to 300 volunteers.

At first the government seemed to doubt

the growing reports of rapes, but after meeting with 25 officials from women's groups this month, President B.J. Habibie set up a task force to study their reports. He issued a statement condemning "this inhuman episode in the history of our nation."

BRIEFLY

Massacre Toll Rises To 17 in Algeria

ALGIERS — The death toll in ALGIERS — The death foll in Algeria's latest massacre rose to 17, bringing to at least 90 the number of people killed in six days of violence, a local daily said Monday.

Le Matin, quoting pro-government militia members, said that Muslim rebels cut the throats or model of the death 17 will process Sat-

hacked to death 17 villagers Saturday night when they raided Re-baia hamlet in Meadea Province, 70 kilometers (45 miles) south of Al-

The government security forces

had put the death toil at 11. Le Matin also reported that scores of civilians were wounded Sunday when two bombs exploded in the coastal province of Tipaza, 60 kilometers west of Algiers. (Reuters)

Yemen Says Saudis Shelled an Island

SAN'A - President Ali Abdullah Saleh on Monday accused Saudi Arabia of attacking a Yemeni island in the Red Sea with long-range artiliery, killing three people.
"Nine Saudi naval vessels took

part in the aggression with longrange artillery that resulted in the death of three Yemenis and wound-ing of nine," be said at a news conference in San'a.

"Yemen will not be dragged into a war with Saudi Arabia," General Saleh said. He said Foreign Minister Abdul-Qadir Bajammal would fly to Saudi Arabia to discuss the is-

Sandi-Yemeni tensions over a long-standing border dispute have increased recently. (Reuters)

Quito Mayor Wins **Ecuador Runoff**

QUITO, Ecuador — Mayor Jamil Mahuad of Quito has won Ecuador's presidential runoff, election officials announced, confirm-

ing preliminary results.

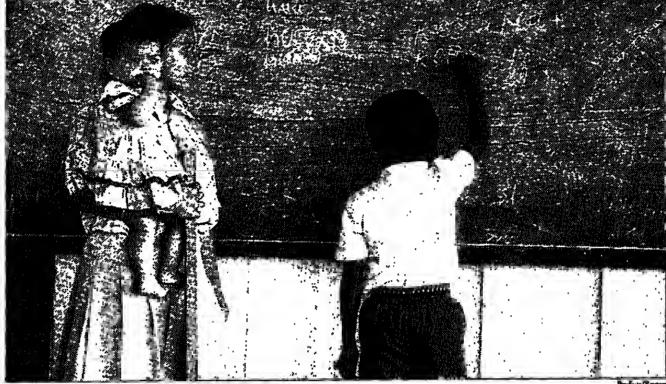
Mr. Mahuad received 51 percent of the vote in the July 12 election. compared to 49 percent for the populist Alvaro Noboa, the Supreme

Electoral Tribunal said Sunday. The announcement ended seven days of tension during which both candidates had claimed victory. Mr. Mahuad began meeting officials to

form his government.
Mr. Noboa told reporters Sunday he would not recognize Mr. Mahuad's victory and repeated his call for officials to recount the votes in his home province of Guayas, oo Ecuador's Pacific coast (AP)

For the Record

An Iranian court will announce its verdict Thursday in the graft trial of Tehran's suspended mayor, Gholamhossein Karbaschi, a court official said Monday. The mayor was tried on embezzlement and mis-



A teacher holding her own haby as a pupil writes on the blackboard in a primary school in Kalimantan, Indonesia.

level because children of this age are considered most vulnerable to dropout pressures. Fourteen is the legal age for em-

"As costs for so many things go up, everyone in this district is feeling the effects of inflation and economic hardship,"

said Nana Hermawan, the Banjar Dua school principal. "People here are giving education lower priority than other things, like food, which they see as essential." were recruited to publicize the government's campaign against dropping out. Their messages have been appearing regularly on television, radio and in news-

One of the country's most popular actors, Rano Karno, and members of his "family" in their television and film series pupils to begin getting aid next month.

JAPAN: Good Rulers and Bad Rulers, but Very Few Strong Leaders

Japanese political culture, that process may and forceful leader was Yasuhiro Nabe more effective than U.S.-style armtwisting or grandstanding. While Mr. Ha-shimoto was mocked in the West for a lack his style than in any results be achieved. of leadership because he never seemed able Mr. Nakasone was quite popular among to get anything done, by some accounts his Americans, but be remains disliked by problem was that he was too much of a many Japanese, who criticize him as pushy, leader for Japanese society: He annoyed arrogant and self-centered. people and therefore could not get their cooperation to carry out policies.
"One reason why Hashimoto was not so

Indeed, there is some evidence that in the other than Mr. Yoshida who was a strong kasone, who governed from 1982 to 1987. his style than in any results he achieved. many Japanese, who criticize him as pushy,

Likewise, in recent years one of the most forceful and visionary politicians has been Ichiro Ozawa, now leader of the Liberal liked in the party or outside it was that he Party. Mr. Ozawa has been widely hailed in didn't listen enough," one senior govern-ment official said, "When we went to brief breed of Japanese leader. But within Japan

Continued from Page 1 ing influence, the official added: "But when we saw Takeshita, he would say: doing what Japanese leaders always do: holding endless meetings and discussing alternatives and hashing out a course of action that has general support.

Indeed, there is some evidence that in the long transport of the few postwar prime ministers."

Indeed, there is some evidence that in the long transport of the few postwar prime ministers. The name of the few postwar prime ministers wellow their leadership skills in a parlia-

mentary system is the cabinet. But in Japan, cabinet ministers are mostly rubber stamps who are not really expected to do anything but back up the ministry's bureaucrats in Parliament.

Even more than prime ministers, the cabinet members are figureheads whose only preparation is years of political machinations building seniority in Parliament. That leaves them unprepared to take charge of their ministries.

"It's terribly hard for them to manage the joh they are given," said Kiichi Miyazawa, a former prime minister who is unusual in that he has unquestioned exhim, he was argumentative and said things like, 'I think you're wrong.''

Speaking of former Prime Minister Noboru Takeshita, who retains far-reach
Noboru Takeshita, who retains far-reach
Noboru Takeshita, who retains far-reachpertise in economic issues. "Their basic

HONG KONG: Recession at Hand as Jobless Rate Hits 15-Year High

Continued from Page 1

would be handing it back to China in 1997. The economy became so unstable that the government at that time decided to fix the Hong Kong dollar to the U.S. dollar to provide stability.

This year, the problem is less rooted in politics. High interest rates, in place to protect the fixed exchange rate, have battered the economy. Property prices are down 50 percent from a little more than a year ago, depressing personal wealth and

closing its doors after 38 years in Hong 28 percent. On Monday, the narrower Hang Kong. Earlier this year, one of the city's Seng index of 33 stocks fell 1.57 percent. iggest bakery chains closed its doors, and its biggest decline in a week. 400 people lost their jobs.

Among the hardest hit sectors has been financial services, as stock brokerages have released scores of employees to compensate for a 50 percent drop in the stock market since last October. In the first quarter of this year, employment in finance, insurance and property fell by 3.8 percent compared with the fourth quarter of 1997. The economic slump has already taken a

causing retail sales to plunge.

Last month. Daimaru, a Japanese department store, announced that it would be
toll on the Hong Kong stock market, the
largest in Asia after Tokyo. So far this year,
the All Ordinaries index has tumbled about

With Asian economies depressed and other countries in the region offering much cheaper hotel and food prices because of their weaker currencies, tourist arrivals in Hong Kong have also plummeted, and hotels have dismissed staff members. Economists have estimated that if un-

employment reached 6 percent, banks would run the risk of substantially higher defaults on mortgages. Hong Kong imposes some of the lowest income taxes in the world, but residents pay the world's highest prices for real estate

management charges by Iran's con-servative-led judiciary. (Reuters)

CROSSWORD

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GUATEMALA: Grisly Evidence of Atrocities

Continued from Page 1

While limited exhumations of mass graves well. and burial pits began in 1991, the scope and

intensity of the operations has surged since the government and leftist guerrillas agreed to a formal peace that included the formation of the Commission for Historical Clarification to catalogue war abuses.

As it is, three teams of forensic anthrostories, the nation took notice. pologists — medical examiners of the dead — when you've hidden secrets for years and lack the manpower and money to respond to more than a small fraction of the requests they said Karen Fischer, one of Guatemala's leadreceive to unearth potential sites, the orga-

nizations' leaders said.
"If graves were mines, we would be afraid to walk in Guatemala," said Mr. Peccerelli, the hundreds of clandestine corneteries that he and others say exist throughout the country.

As a child, Mr. Peccerelli was one of the tens of thousands of Guatemalans who fled during the war. Raised in the Broux, he had graduated from college with a degree in anthropology when he happened upon a seminar about the excavations. In 1995 — 15 years after he left bome — Mr. Peccerelli returned to help uncover the past.

The exhumations and their scientific confirmations of wartime atrocities have been politically explosive in a nation where many of those responsible for the wartime abuses remain in powerful positions in the government or the military.

Although military and paramilitary forces are blamed for most of the civilian murders know what happened so we can try to avoid its ever happening again," he said.

and massacres, anthropology teams have unever happening again," he said.

When anthropologists began their exhuma-tions, army officials declared the skeletons the victims of earthquakes. Guatemalan newspapers published no stories about their work! But, as the crowds swelled at the excavation sites and more villagers told their bornific

ing human rights activists. "But it will take, time; it won't be easy."

The Guatemalan Army still refuses to discuss the findings and has been criticized for whose team has excavated 37 grave sites among not turning over larger and more significant volumes of documents to the Commission. for Historical Clarification, which is compiling a report scheduled to be completed this

> Hector Mauricio Lopez Bonilla, a retired lieutenant colonel who is now working as a private business consultant and newspaper columnist, is one of the few military officials who have been willing to address the atrocities. He blames them on individual field commanders and units fighting a war in which the entire populations of villages were in

volved" in protecting or supporting rebeis. But, be added, while the circumstances of the war may "explain why events occurred, i that does not justify them."

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The Program

Galliano's Diorient Express Runs Out of Steam







From left: Valentino's abstract-pattern, lattice evening dress; Henry VIII meets chinoiserie on Galliano's Diorient Express; Ungaro's unlined coat over cropped pants and lacy top

By Suzy Menkes ational Herald Tribune

ARIS — In a poff of steam, the clothes trailing through golden sand on the floor, skirts ballooning like the sleeves on Henry VIII's doublet.

The backdrop was the Austerlitz train station, piled high with Louis Vuitton trunks, where the audience sizzled beneath palm trees and Moroccan tents, waiting for a bunch of be-feathered American Indians to steer in the exotically named Diorient

This was a romantic train from the steam



Rolland's painted gown at Scherrer.

trouble moving forward. And that jost about summed up John Galliano's fall-

ARIS — In a part of steam, the train disgorged its cargo of models — a flash of blanket coat here, a whoosh of claret velvet there, the trailing through golden sand on the trailing backward into history. Whose there! winter couture collection. 17th century alongside yet another unlikely fashion heroine: Princess Pocahontas, who marries an Englishman and doffs embroidered doeskin for lace collars, Holbein hats and Renaissance gowns.

Oh dear! Haven't we been here before with Galliano — delirious mixes of place and time that make his shows into magnificent but essentially ridiculous time-

explain the show that had some exquisite and slash mini bloomers, to the swishing coats appliqued with Tudor motifs and matching thigh-high boots.

The embroiderer François Lesage said that one ontfit took 2,000 hours of work, and was the most expensive couture piece he had ever made. The program notes explained silken threads, laid on jute, and described the floral brocade linings to dramatic coats, trimmed with ginger fur.

age that, judging by its hourlong delay, had gage, delicate Chinese embroideries in a gray cashmere cardigan cabled with se- Fanny Ardant through Isabelle d'Ornano cloisonné colors and a huge white dress.

perforated as if by bird peckings.
Why does Galliano so stubbornly refuse to meet his clients halfway? His shows are wondrous in their way. But the train seemed an ominous metaphor for a design talent that seems to be running out of steam.

Valentino knows a thing or two about travel for today's Concorde classes. His show may have been beavy on the decoration, but it was light and aerodynamic in its simple, straight lines and cyber-colors.

"Modern glamour and a new couture that is casual and relaxing," Valentino said backstage, adding that cashmere and pre-cious fabrics were the height of unshowy, modern luxury and that he expected the cardigan coats to be worn with jeans.

travel costume parties? ... cardigan coats to be worn with jeans.

"Traveling through geographical and bistorical boundaries." Galliano said to knitted coats, the boxy two pieces with pintucked bodices, the slender over-the-knee effects, from the leather worked into cut-skirts and the purses so slim and flat that only a credit card would squeeze in.

To that, Valentino added an airy elegance with lattices. They came as abstract, openwork patches on the linear dresses or even as a crisscross of piping across the bosom. Latticed hand-warmers added more mesh effects.

But the general feel was easy - rectilinear clothes, cut away from the body and modernist, with a palette of white, gray

quined ribbons. But there was a genuine change in the silhouette from curvy and flirty to modern and linear.

The clothes were also wonderfully well crafted, especially wheo the designer showed slim patchworks of panne velvet skirts and held back on the artsy embroideries. One plain white evening dress, with silver filament embroideries inset at the sides and a tiny feathered bolero, proved that Valentino can be utterly simple and refined

And those front-row ladies, wearing parties of jewelry at the cocktail hour show, lapped it up, with Princess Firyal of Jordan calling it "simply sumptuous," Isabel Goldsmith describing it as "going perfectly with the saloo" and Susan Guttered who cheeked freund, who singled out the white dress, calling it "sexy and beautiful."

VERY designer needs a muse and Emanuel Uogaro has found one in Sharon Stone. The sleek and sensual Hollywood star will be dressed by Uogaro for a new Albert Brooks movie, "The Muse." Maybe that is why the designer brought his conture collection into the daylight and infiltrated it with a casual West Coast attitude. Although the fabrics and details were still

fancy, the show had a lightness and ease. tury (let alone the 21st)? A couple of long, plain black dresses, caressing the body, would make superb formal dinner gowns. at the end, but a gray coat mixing flannel and saint played with mat and shine. and saint played with mat and shine. showed cardigan-jackets, extravagantly worked in lace-encrusted tulle but featherlight. With thein weot cropped pants jackets and change the bulbous hemlines.

As so often with Valentino, it was a bit one of those tricks designers try to be at the backbone and evening gowns sculp-strictly for show were a tribal tapestry coat much, what with snowy mink or chinchilla different, although you know that all the ted from the shoulders after Zurbaran and

will order regular-length pants to slip under a light mohair coat.

What else is a gal to wear to lunch? Maybe Ungaro's loog dresses draped softly to one side, in the jersey that he sculpts like cloth. But these were really clothes for a California climate. Narrow evening dresses

were just wisps of lace and chiffoo, worn

with rivulets of tiny beads and perhaps decorated with random tufts of feather. In its quiet colors (the mix-and-match patterns banished) and ultra-delicate workmanship, the show was pretty and discreet. Ungaro showed his softer side. Yet there was something surreal about

seeing what are mostly evening and cock-tail clothes in the sunlight filtering through the glass dome of the Paris fine art school. What might have seemed subdued in nigh light still seemed very fancy in the bright light of day.

Why is it that when young designers debut at established houses they always seem to have their eyes on past glories? The finale of Stephane Rolland's show for Jean-Louis Scherrer was rich and dramatic - a swishing coat inspired by Wattrau's art and with hand-painted figures on the back.

There ought, at the dawn of a new century, to be a less traditional way to make the audience applaud than to show

But Rolland at least had a clear thread running through his show. Elegant tweed coats with gathered or cape backs, a chie hlack velvet dress with pleats fanning out that would cost a fortune in excess bag- collars, lacy tops, crystal embroideries and froot-row clients from the French actress Watteau all focused oo a great exit line.

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On the Scent: A New Lacroix?

By Suzy Menkes International Herald Tribun

ARIS — In a move that will stun the fragrance industry, LVMH Moet Hennessy Louis Vuitton is considering developing a perfume for Christian Lacroix with Clarins, the French beauty and skin-

care house that is a rival to its own group.

Patrick Choel, president of the perfume and cosmetic branch of LVMH, confirmed Monday that an initial development project was under discussion, but said that no decision had been made and that it was "not excluded" that LVMH itself would handle the fragrance, which was set to be launched in the fall of 1999. This would be the first Lacroix fragrance since C'est la Vie in

1990, which flopped.

Jean-Jacques Picart of Lacroix said that a proposal had Jean-Jacques Picart of Lacroix said that a proposal had been made to other perfume companies that might be well suited to handling a so-called "niche" fragrance, although he declined to discuss possible partners. But Mariano Puig, whose Spanish perfume company bought Nina Rieci, said Monday that he had been cootacted.

A Paris beanty executive who chose not to be named said that talks with Clarins were serious and would resume after the Lacroix continue show on Tuesday.

Serge Rosinoer, chief executive of Clarins, could not be reached for comment Monday, but Vera Strubi, pres-

be reached for comment Monday, but Vera Strubi, president of Mugler fragrances, which is owned by Clarins,

said she knew about the discussions.

"If there is an opportunity here, we are going to seize it because we are always looking for designers who haven't got a fragrance," Strubi said. "At the moment, nothing is concrete but I know I VMH is looking about."

got a fragrance," Strubi said. "At the moment, nothing is concrete, but I know LVMH is looking about."

Clarins currently has three designer fragrances: Mugler, Claude Montana and Loris Azzaro. Significantly, Clarins bought outright the house of Thierry Mugler in 1997, after successfully developing a perfume with Mugler.

The industry executive said that it was inconceivable that LVMH would run the house of Lacroix yet farm out the fragrance, and that approaching other houses could

the fragrance, and that approaching other houses could only mean testing the water for an eventual sale of the house that was founded in 1987 by Bernard Amault, president of LVMH.

Picart denied that this was the case.

At the Dior show Monday, Arnault himself said only that various research projects were going on about the

"I am not au courant with anything to do with Clarins," he said. "If we do a Lacroix fragrance, it will be os who do it — but it is not at all certain at this stage that we will."



From left: Jean Paul Gaultier's sweater with embroidered beads; Givenchy's feathery fronds; Abraham's hand-painted African motif.

Designers Dwell on Breathtaking Details

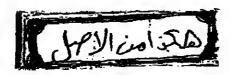
ARIS - It is the detailed workmanship more than changes of silhouette that now distinguishes conture from ready-to-wear. Even though some of the younger designers look like they have been let loose in a candy store of our accessories, the effects are often breathtaking terms oo sweaters and plaid on kilt skirts — over-

in fabric given feathery effects.

Jean Paul Gaultier's sporty couture was ennowhere more than at the Givenchy show, where turning the concept of beading as evening wear.

the legendary plumier Andre Lemarie made not just the sprouting feathers but also artificial foliage. That was used to make dramatic capes and collars

For Abraham Pelham, a Liberian-born designer fulfilling a lifetime dream by staging a Paris show, elongated African motifs on chiffon capes and subtle tribal markings at skirt nems gave an ethnic touch to the currently fashionable abstract dec-



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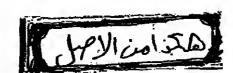
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A Privatizer Takes Over .At Intelsat

New Chief Wants to Sell Consortium by 2001

By Mike Mills Washington Post Service

WASHINGTON — For Couny Kuilman, oewly elected head of the global satellite consortium Intelsar, success will be measured by how soon his job becomes obsolete.

Intelsat, operating from headqoarters here, is like the United Nations of global telecommunications, except that its 143 member nations usually pay their dues on time. Created in 1964 by international treaty for an era of monopoly telephone companies, Intelsat has enjoyed - and been hindered by - treaty privileges as a robust competitive in-

dustry has grown up around it.

Mr. Kullman, a towering 48-year-old.

Swede and 15-year Intelsat veteran, wants to make today's Intelsat disappear by 2001. In its place, he hopes, will be a completely private, poblicly traded satellite company. And, perhaps, a new, much smaller treaty organization to ensure satellite service for under-

developed countries.
"Intelsat oeeds to be fully commercialized," Mr. Kollman said in an interview at Intelsat's headquarters. "The only way to do that is to privatize this place and get it into the stock exchange

as a private company."

That goal had eluded Intelsat's current director-general and chief executive, Irving Goldstein, who will retire when Mr. Kullman officially takes over on Oct. 23. Although Mr. Goldstein helped to create Intelsat and its U.S. member company, Comsat Corp., the most he could accomplish in the way of dismantling was the spinoff in April of five of Intelsat's 25 satellites. Dubbed New Skies Satellite NV, the Netherlands-based company plans an initial public stock offering in about a year.

"I thought I would have been able to get a more complete privatization done in a shorter period of time," Mr. Goldstein said. 'I think Conny will be the last director-general of Intelsat.''
Mr. Kullman is the first Intelsat ca.

See INTELSAT, Page 17



Changing of the guard at Intelsat: Irving Goldstein, left, is handing over the reins as chief to Conny Kullman.

Seagram to Sell Tropicana to PepsiCo

NEW YORK - Seagram Co. said Monday it would sell its Tropicana juice business to PepsiCo Inc. for \$3.3 billion, dropping a plan to sell the leading orange juice maker in a poblic stock offering. The deal gives Pepsi a new business to compete with Coca-Cola Co., the

world's higgest beverage company and owner of the juice brand Minute Maid. Tropicana owns the Dole juices and has been expanding its breakfast-table lineup with exotic fruit blends, calciumadded juice and fruit drinks called Twisters. It had sales of \$2 billion last

The company will be added to a Pepsi meiji that includes the world's second-most popular soft drink behind Coke and snacks such as Ruffles, Doritos and Cheetos made by its Frito-Lay division.

area where Coca-Cola does not possess a major competitive advantage," said Roy Burry, an analyst at Brown Broth-

Montreal-based Seagram is selling the business rather than going through with the stock offering because the acquisition provides a set price, investors said.

'Seagram would have never raised that kind of mooey in an IPO," said Philip Foreman, portfolio manager at Composite Research & Management, which owned about 425,000 Seagram shares and about 279,000 Pepsi shares. "It's a good deal for both companies."

Seagram, the Canadian liquor giant and owner of Universal Studios, an-counced in May it would sell Tropicana to help fund its \$10.4 billion purchase of PolyGram, the world's largest music

tertain offers from interested bidders,

Seagram bought Tropicana for \$1.2 billion in 1988 and acquired the Dole line for a reported \$240 million in 1995.

On the New York Stock Exchange, Seagram shares closed 18.75 cents higher at \$40, and Pepsi shares were up 25 cents at \$39.75.

of the ready-to-drink orange juice mar-ket in the United States and 71 percent of the lucrative oot-from-concentrate segment, Its beverages are sold in 20 countries. The company employs about 5,000 people worldwide.

Seagram initially hoped to raise \$3.5 billion to \$4 billion by selling Tropicana to the public. Last week, it lowered that projection to \$3.1 billion.

Tropicana accounted for 40 percent

(AP, Bloomberg)

France Telecom Issue To Raise \$9 Billion

PARIS - France Telecom SA plans to increase its capital by 5 percent by selling shares in the actumn and plans to take a 2 percent cross shareholding with Deutsche Telekom AG, the Finance Ministry said Monday.

France Telecom and the French government said they planned to sell shares in Europe's No. 2 phooe company worth as much as \$9 billion, in what would be the higgest share sale in Europe this

The sale will cut the French government's stake in France Telecom to as little as 62 perceot, as planned when the government sold a quarter of France's dominant phooe company last October. The government will sell 5 percent to 6 percent of existing shares and France Telecom will sell oew shares equal to 5 perceot of the company.

The capital increase will go ahead 'market cooditions permitting,' the ministry said.

At the same time, France and Ger-many scaled back plans to swap up to 8 percent in their formerly state-owned phone companies, reducing the stakes to a symbolic 2 percent intended to cement France Telecom and Deutsche Telekom's partnership. The sales will give the governments cash to indirectly reduce their budget deficits before the start of the European single currency in

"Given the stroog rise in both companies' shares, the governments didn't need to sell as much to get the same amount of cash," said Thierry Magnan, an analyst at SG Securities. "But the more France Telecom shares out there, the better."

The purchase by France Telecom and Deutsche Telekom of shares in each other is meant to reinforce their alliance as they try to find ways to work more closely together to expand abroad and offset

competition in their home markets.

"We want to converge our development in European markets as quickly as possible, investing several billion euros a year and huilding a truly pan-European operator," Michel Bon, France Telecom's chief executive, said in an interview with the French news-

paper Le Monde.
The companies aim to take 10 percept of the European phone market outside of their home countries, including Eastern Europe, by 2003. They curreotly

generate 10 billioo francs (\$1.67 bil-

lion) in annual European sales. The closer cooperation, which will inclode developing new services and a common calling card, should allow France Telecom to cut costs hy 500 million francs in 2000. The sale of new shares will help pay for the Deutsche Telekom stake as well as financing expansion, Mr. Bon said.

But investors were less than thrilled with the news. France Telecom shares fell sharply Monday, shedding 6.17 per-cent to close at 391 francs.

In Germany, Deutsche Telekom shares closed at 55.10 Deutsche marks

(\$30.82), up 30 pfennig.

Deutsche Telekom and France Telecom already work together on projects across Europe. Each company also holds 10 percent of Sprint Corp. of the United States and operate their Global One joint venture in 65 countries.
(Bloomberg, AFP, AP)

Microsoft Fails To Clinch Deal With Hangul

By Don Kirk

SEOUL - A natioowide campaign by angry Korean consumers and computer fans forced Microsoft Corp. to withdraw Monday from a planned bailout investment in South Korea's largest producer of Korean-language software.

The Korean company, Hangul & Computer Co., said Monday it had decided to reject the planned investment by Microsoft, which would have required it to hand over its Korean-language software business and merge it

into Microsoft's owo Korean software. Instead, Hangul, ooce Korea's fastest-risiog software company, accepted an offer of \$10 million from a group of Korean investors to enable it to pay off some of its debts and invest in research and development needed to revive its

See KOREA, Page 17

Thinking Ahead / Commentary

A Warning on Asia From Down Under

By Reginald Dale

are some words of wisdom from Down Uoder: Don't underestimate the potential effects of the Asian financial

That was the message brought to Washington this month by Australian participants in the Australian-American Leadership Dialogue, a private sector initiative aimed at expanding ties between the two countries.

It is oot surprising that Australians should be worried. While many Americans still smugly regard the crisis as relatively distant, Australia is on the

According to Ross Garnaut, of the Australian National University, Australia is more dependent on the East Asian market than any other country in the world, including the East Asian countries themselves.

The Australians are now scrambling to replace lost business in Asia with increased exports to Europe and North

Largely as a result of the crisis, Australia's economic growth rate will probably fall quite sharply this year, unemployment is stuck at around 8 percent and the Australian dollar has plunged in line with the Japanese yen. But now, if not with the same in-

tensity, ripples from the crisis are be-much to the prosperity of most Ausginning to lap the shores of America, tralians in recent years.

too. Last week brought news of a re-cord U.S. trade deficit in May, a big Hanson. Bot it does have a Ross Perot strike against General Motors Corp.) and a sharp fall in exports to Asia.

Australian economy is probably strong of Americans, especially in the coun-enough to ride out the crisis, provided it tryside, who harbor the same kind of Australian economy is probably strong does oot worsen, and most economists expect U.S. growth to resume after a slowdown in which the economy ad-

A more serious concern right now, in both countries, is political. In Australia, the Asian crisis has coincided with growing support for the nationalistic One Nation party, led by Pauline Hanson, which wants to cut back on imports and immigrants and end the policy of integrating Australia into Asia, supported by the main political

The discontent that Ms. Hanson is tapping has many roots. It has to do with rural resentments against the power of the cities, growing ethnic diversity, gun control and generous compensation plans for native Australian aborigines, as well as discontent over unemployment and low farm in-

The problem is not that Ms. Hanson that her unexpected success is threatliberalization that has contributed so one, too.

TASHINGTON — Here also due to the United Auto Workers former presidential candidates, and ocmerous other politicians ready to jump on a protectionist bandwagon were it None of this is yet catastrophic. The ever to start to roll. And there are plenty resentments as Ms. Hanson's support-

omy still running so high, and unemployment so low, the soaring U.S. trade deficit has produced unease, but mot yet a major protectionist back-

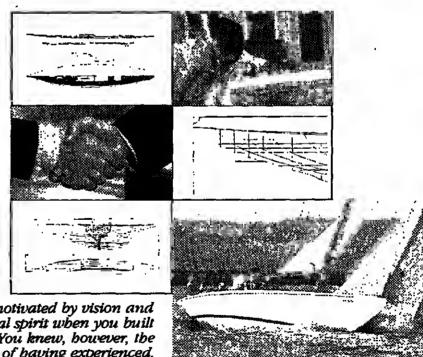
But that could quickly change if the miraculous jobs and growth engine starts to sputter just as the flood of cheap imports from Asia reaches its

A new study from the Institute for International Economics predicts that the Asian crisis will add \$40 billion to \$50 billion to the U.S. trade deficit. That will exacerbate trade tensions between the United States and Asian nations such as Japan and South Korea, and make U.S. trade actions against

those countries more likely. That would almost certainly provoke similar actions by other countries. is likely to take over the country. It is If a trade backlash does materialize in the United States, we will have not just ening to derail the process of economic an Asian problem but an American

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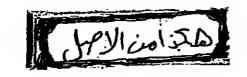
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THE AMERICAS



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 Moturola Corp. has agreed to provide a rival company.
 Advanced Micro Devices Inc., with technology for making semiconductor chips with copper, an alternative to the aluminum long used in computers.

•GTE Corp.'s second-quarter earnings rose 0.29 percent, to \$673 million, as strong growth in revenue was offset by wider losses in its new data operations.

•Travelers Group Ioc. said second-quarter earnings rose 5 percent, to \$921.6 million, as gains in insurance and consumer finance offset declines at its Salomon Smith Barney unit.

 Continental Airlines Inc.'s second-quarter earnings jumped . 30 percent, to \$167 million, exceeding analysts' expectations, as the airline flew more passengers at a greater profit. •McDonald's Corp.'s second-quarter profit rose 7 percent, to

\$468.8 million, meeting analysis' expectations, as the fast-food chain posted its biggest quarterly increase in U.S. op-erating income since 1984. Rockwell International Corp.'s third-quarter profit fell 27

percent, to \$88 million, as the world's biggest maker of chips used in computer moderns implements a cost-cutting plan aimed at raising earnings.

Jan. 1. 1992 = 100	Love	Change	% change	year to date %cfutnge
World Index	203.60	— 5.13	2.46	+ 18.30
Regional Indexes				
Asia/Pacific	87.60	+ 0.02	+ 0.02	- 8,82
Europe	240.34	-12.27	4.86	+ 24.50
N. America	267.82	- 0.62	~ 0.23	+ 24.00
S. America	142.82	0.73	0.51	- 6.45
Industrial Indexes				
Capital goods	272.46	1,21	0.44	+ 31 <i>.9</i> 0
Consumer goods	243.82	+ 0.53	+0.22	+ 16.25
Energy	209.50	1.00	0.48	+ 7.46
Finance	. 139.77	15.93	- 10.23	+ 13.57
Miscellaneous	166.87	+ 0.89	+ 0.54	+ 11.34
Raw Materials	207.56	+ 0.72	+ 0.35	+ 24.11
Service	222.53	+ 1.10	+ 0.50	+ 27.66
Littidas	178.54	← 1.85	— 1.03	+ 6.99



Monday's 4 P.M. Close The 200 most traded stocks of the day, up to the closing on Wall Street, The Associated Press.

Nasdaq Hit a Record as Blue-Chips Falter

Phillip Humann, the chairman of in the rapidly consolidating banking

NEW YORK - Stocks were mixed Monday, as technology shares on the Nasdaq market set a record, but blue-chips fell amid worries about the Federal Reserve Board chairman's congressional testimony this week.

While the domestic economic picture has been largely overshad-owed by the Asian fiscal crisis this year, investors are always wary of what Alan Greenspan, the Fed chairman, might say in his semiannual report to Congress oo Tuesday and Wednesday.

Recent data has shown that inflatioo remains in check, but it is unclear whether Mr. Greenspan might view the stock market rally of the past month as a risk worthy of a boost in interest rates.

The Dow Jones industrial aver-

RICHMOND, Virginia - Sun-

Trust Banks Inc. is buying Crestar Financial Corp. for \$9.5 billion in

stock to create the 10th-largest U.S. bank, the companies said Monday.

nearly 1,100 branches, adding Cre-

star's operations in Virginia, Mary-

land and the District of Columbia to

SunTrust's branches in Florida,

Mergers have been sweeping the banking industry as local rivals have

bought one another to cut costs or

merged with banks in neighboring

states. The Crestar purchase is un-

usual because that bank is separated

from SunTrust by the Carolinas, where the largest banks in the region

-NationsBank Corp. and First Uo-

ioo Corp. - have their headquar-

"Now there's the big gap in ge-ography for SunTrust," said Nancy

Bush, a bank analyst at Ryan, Beck

Weekend Box Office

and estimated sales for Sunday.

Georgia, Tennessee and Alabama.

The combined bank will have

9,295.75. On Friday, the Dow set a public offering last week. record at 9,337.97. On-line bookseller Amazon.com

The bond market meanwhile, gained on optimism that Mr. Greenspan's testimony would bolster expectations for slower growth and tame inflation.

The benchmark 30-year Treasury bond rose 13/32 to 105 24/32,

U.S. STOCKS

taking the yield to 5.72 percent from 5.74 percent on Friday. The Standard & Poor's 500 Index

fell 2.65 points to 1,184.10.

But the Nasdaq composite index climbed 5.49 points, to 2,014.25, its ninth consecutive record.

Internet companies soared after Broadcast.com, which transmits news, music and sports on-line, be-

SunTrust Banks to Acquire Crestar

after the merger, said the separation between the SunTrust and Crestar

businesses would not be a prob-

that physically appears on a map," Mr. Humann said. He said there was

"no great urgency" to expand in North and South Carolina.

in Richmond, Virginia, and Sun-Trust, which is based in Atlanta,

have no geographic overlap, they said job losses related to the merger

would be minimal and would come

Nonetheless, SunTrust said the

combinatioo would generate sav-

ings of \$130 million annually, in

part through job cuts. It plans to take \$250 million in charges as a result of

After the deal is completed, Sun-

Trust will have \$88 billion in assets, assets of which would currently place it 10th largest.

mostly through attrition.

the acquisition.

LOS ANGELES - "The Mask of Zorro" dominated the U.S. box

Following are the Top 10 moneymakers, based on Saturday's ticket sales

office over the weekend, with a gross of \$22.7 million.

U. S. STOCK MARKET DIARY

Because Crestar, which is based

"The only bole that exists is one

SunTrust, who will retain that title industry.

age closed 42.22 points lower at came a highly successful initial

surged 17 11/16 to 1371/2, while No. 1 on-line service America Online rose 8 to 136.

But Broadcast.com fell 21/4 to 601/2. It more than tripled in Friday's first day of trading from its IPO price of \$18 a share.

Communications equipment makers and drug firms climbed on optimism their prosperity would continue. Lucent closed up 61/6 at 1011/2 after hirting a record 102.5/16. Investors are betting that the company will report earnings that top Wall Street estimates. Warner-Lambert rallied 3 11/16

to 8314 after the drugmaker said second-quarter net income rose 46 percent from the year-ago period to \$338.1 million, as sales of new drugs

Banks in Virginia have been

some of the main targets in that consolidation. With the Crestar deal, the state will have seen its three

top players absorbed by compet-

itors. In the past year, Signet Bank-ing Corp. was bought by First Uo-ion, which is based in Charlotte,

North Carolina, while Central Fi-

delity Banks Inc. was taken over by

Wachovia Corp. of Winston-Salem,

Crestar shareholders will receive

0.96 of a SunTrust share for each of

their shares. Crestar shares jumped

\$9.50 to close at \$73.50, while Sun-

Trust shares dropped \$8.1875 to \$79.25. The value of the deal is

based oo the closing price of Sun-

SunTrust, with assets of \$61.4

billion, is now the 18th-largest bank

in the United States. Crestar, with

assets of \$26.2 billion, is the 36th-largest. (AP, Bloomberg)

North Carolina.

Trust stock on Friday.

rose 71 percent to \$1.41 billion. Drugs were among the biggest gainers in the S&P. Pfizer rose 134 to 117%, Merck gained 5/16 to 138 3/2 and Schering-Plough climbed 13/16 to 1041/s.

A profit warning from McDonald's sent the fast-food chain's shares down 2 11/16 to 70 9/16. It also said weak economies and currencies continue to hurt business overseas.

after workers voted to authorize a strike at a Saturn car-assembly plant in Spring Hill, Tennessee. Dell Computer dropped 11/16 to

116% amid concerns that the thriv- erated Investors. ing direct seller of computers may have a tough time austaining its

carnings growth. Travelers Group rose 1/8 to 72
9/16 on better-than-expected profit.
(Bloomberg, AP)

Last GM Plant

Votes for Strike

Consided by Our Staff From Disputche

SPRING HILL, Tennessee
- Workers at General Motors

Corp.'s only U.S. plant still turning out cars, the Saturn di-

vision, where the company boasts of harmonious labor-

management relations, have

voted overwhelmingly to an-

lie that this partnership is alive

and healthy and well when it's not," said Mike Bennett, bar-

gaining chairman for the union

Nicholas Lobaccaro, an ana-

lvst with Merrill Lynch, said,

"Saturn threatening a strike tells you that the UAW has its

heart set on busting GM's

chops, and that it's willing to inflict a lot of pain on itself."

Talks between the United

Auto Workers and the company

resumed Monday in Flint, Michigan, (AP, Bloomberg)

local at Saturn Corp.

"We can't continue to live a

thorize a strike.

Dollar Falls Against Yen

NEW YORK - The dollar extended its slide against the yen Monday on optimism that Japan's next prime minister would accelerate the country's economic reforms after General Motors fell 1 to 68 % the election Friday.

"People are hoping that whoever gets in will do something more radical" to get the economy on track. said Mike Casey, a manager at Fed-

The dollar was quoted at 4 P.M. at 138.825 yen, down from 139.500 yen on Friday.

Dealers said the market was

FOREIGN EXCHANGE

hopeful that if Foreign Minister Keizo Ohuchi emerged as Japan's new prime minister, he would name his main opponent, the former chief secretary, cabinet Kajiyama, as finance minister.

Both men have said that the Japanese economy needs permanent income tax and corporate tax cuts to

and low-to-Co

get back on track.

The governing Liberal Democratic Party will choose between them Friday for party president.
The dollar was little changed

against the Deutsche mark amid growing optimism that the Russian economy was stabilizing.
The dollar was also flat against

the mark amid expectations German growth was picking up and talk that the U.S. ecocomy was poised to

slow.
"The mark should be appreciating and the dollar depreciating."
Mr. Casey said. The U.S. currency rose to 1.7818

Deutsche marks from 1.7800 DM. The dollar was also at 1.5060 Swiss francs, up from 1.5022 francs, and at 5.9750 French francs, up from 5.9650 francs. The pound was at \$1.6478, up from \$1.6450.

(Bloomberg, Bridge News)

SPX to Buy Electrical-Controls Company

Corp. said Monday it would buy \$2.34 billion in cash, stock and

The purchase gives SPX, an antomotive supply and parts company, a

which is under pressure from anto-MUSKEGON, Michigan - SPX makers to deliver less costly systems rather than individual parts.

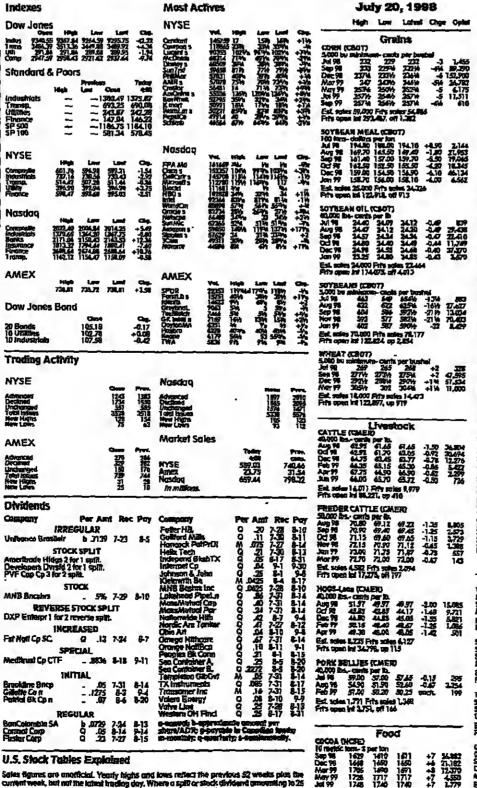
General Signal Corp., a maker of SPX said it would pay \$45 a share industrial and electrical controls, for in cash and stock for the larger Gen-SPX said it would pay \$45 a share eral Signal. SPX also will assume roughly \$335 million in General Signal's debt.
The combined company will have

tempted a \$3 billion hostile takeover of Echlin Corp. this year before being outbid by Dana Corp.
General Signal shares closed
\$3.5625 higher at \$41.1875 on the New York Stock Exchange

The transaction is expected to

SPX shares fell \$4,9375. to

INTERNATIONAL FUTURES



COPPER C ONCISED
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July 9 17.2.0 19.39 172.00 +2.00
Sup 98 197.50 196.50 196.55 +1.45
Dec 98 197.50 196.50 197.30 +9.65
May 99 170.25 170.30 197.30 +9.65
May 99 170.25 170.40 197.30 +9.65
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Est, sides 5.277 Fr7s supen let 38.279, up 58.0

GOLD (NCAUC)
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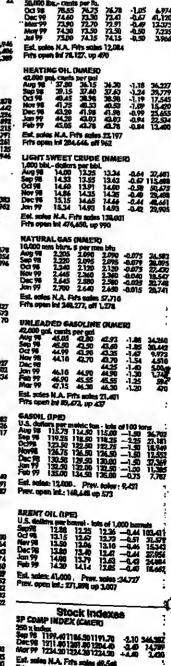
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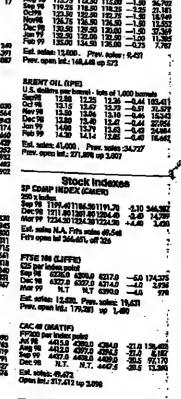
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\$49.98 | 108.49 | 108.05 | 108.05 | -0.17 | 146.146
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The deal comes after SPX at BRITISH POUND (CNES) 62,500 pounds 8 per pound Sep 98 1,4454 1,4356 1,4454-0,0018 25,382 Dec 79 1,6454 1,4359 1,6359-0,0018 962 Ent noise N.A. Frit solve 5577 Frits open int 36,478, up 351 Prev. open Int. 1,676,245 up 3,047

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Jun 99 95,375 95,960 95,370 -0.005 196,401
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Oct 97,575 95,375 95,770 -0.005 196,401
Oct 95,375 95,375 95,375 Unch, 72,967
Est suiss: 64,876, Prev. scale: 119,954
Prev. open ist 2,420,445 op 46





Commodity Indexes

CAC 40

Prague Leader Returning to Bank

Move Seen Strengthening Czech National's Independence

By Peter S. Green

PRAGUE — The outgoing prime minister, Josef Tosovsky, will re-nun to his former post as governor of the Czech National Bank, the government said Monday, a move that economists see as strengthening the central bank's independence.

The office of President Vaclav Havel said Mr. Tosovsky would be named to the post Wednesday and would begin a six-year term as governor when the new Social Democratic government of Prime Minister Milos Zeman is sworn in

Mr. Tosovsky left the bank in December to serve as interim prime ininister after Prime Minister Vaclav Klaus was forced to resign in November in a political finance scandal.

"The president feels that in this period of possible political instabilperiod of possible political instabil-ity there should be a first point in the ecosomy, 's said Jiri Pehe, Mr. the year after virtually zero growth in 1997. Mr. Klaus says he opposes a deficit.

Havel's political adviser, 'and As governor of the central bank.
Tosovsky certainly represents that with his experience, his lack of enmonetarist policies, raising interest thusiasm for radical solutions and his certain ability to resist political pressure."

Elections last month ended with a hung Parliament, but the Social Democrats have formed a government with the support of their one-time bitter rivals, the rightist Civic Democratic Party headed by Mr.

Both parties have said they want to limit the independence of the cen-tral bank, but most observers predict the two will battle over budget deficits, industrial subsidies, deregulation and privatization.

The Social Democrats say they are prepared to run a budget deficit slightly more accommodating to to stimulate an economy that shrank government pressure to lower inby 0.9 percent in the first quarter of

rates to keep inflation down. But on his watch, a dozen privately owned banks collapsed, and the koruna lost a quarter of its value. Still, the bank has maintained a tight money

"This is a vote for more sta-bility," said Miroslav Singer, chief economist at Expandia Finance in

The central bank is definitely the most important counterweight to any kind of fiscal craziness," be will head Czech central hank.

mist at Patria Finance in Prague. said that Mr. Tosovsky might be government pressure to lower in-terest rates in order to stimulate growth and ease the debt burden on troubled Czech companies. We may see more consultation

revenue, especially by improving

ernment collects only a small frac-

to the Fund, the prime minister,

Sergei Kiriyenko, and the chairman

said they had taken measures that

would increase revenues and cap the

budget deficit at 2.75 percent of gross domestic product, Interfax

The government also announced

that it would increase the pace of

privatization, selling stakes in a number of companies previously considered off limits for strategic

Mr. Yeltsin vetoed two laws

The cabinet passed a resolution

introducing a value-added tax rate

of 20 percent for a wide range of

Deputies in the lower house, the

CW Cannass
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Control Comma
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lowering taxes and introduced new

reasons, Interfax said.

In a joint statement sent Monday

tion of what is owed in taxes.



will head Czech central hank.

But Vladimir Kreidl, an econo- and a little more inflationary bias with Tosovsky," he said. The central bank lowered its key two-week repurchase rate to 14.5 percent last week from 15 percept,

but the move has had no noticeable effect yet on either the overvalued currency or on debt-ridden indus-

Low Oil Prices Cut Profit by 7% At Norsk Hydro

The Associated Press

OSLO— Norsk Hydro A/S reported Monday a 7 percent drop in net profit for the first half of 1998 from the same period a year earlier, saying low world prices for oil, a major export, and weak markets for fertilizer

sales had lowered earnings. The 51-percent state-owned company, with interests in oil, petrochemicals, light metals and fertilizers, said net profit fell to 2.82 hillion kroner (\$373.6 million), compared with 3.04 billion for the first half of 1997.

Sales in the period increased from a year earlier by 4 percent to 50.28 billion kroner. Operating income slid by 30 percent to 4,19 billion kroner.

The downturn was particularly sharp during the second quarter of 1998. Compared to the same three months of 1997, operating income from oil and namral gas declined 51 percent. Its fertilizer division was down by 30 percent.

Operating income from pet-rochemicals was 46 percent lower for the quarter, largely due to a scheduled maintenance

closed at 350.50"kroher, up 14.50-kroner

Rising Costs Fail to Dent SAP's Profit

Committed by Our Staff From Department WALLDORF, Germany - SAP AG, the world's largest maker of business-management software, said second-quarter pretax profit rose 30 percent even as rising labor costs and the economic slump in

Asia cut into earnings growth.

Pretax profit rose to 521 million
Deutsche marks (\$281.4 million), compared with 401 million DM in the year-earlier period. In the first quarter, the company's pretax profit rose 72 percent. Second-quarter sales rose 59 percent, to 2.2 billion DM, from 1.37 billion DM a year earlier, while costs rose 70 percent to 1.7 billion DM, SAP said.

"We've stepped up the pace of our expansion and intensified our investment activities," said Hasso Plattner, SAP's co-chairman. "Our very strong first-half performance shows that we're on the right track in adding resources to extend our success."

Stiff competition for software programmers and developers prompted SAP to introduce a profit-sharing program in May that raised costs faster than sales grew. Weaker currencies in Asia, where the company generates 10 percent of sales. also cut into growth

"Asia is certainly playing a role, and with the need to hire thousands of workers this year, it's difficult to keep a handle on costs," said Pierre Drach, head of research at Independent Research in Frankfurt SAP stock fell 4 DM, to 1,074.

SAP bas been scrambling to keep up with demand for its R/3 software, which helps businesses manage personnel, mannfacturing and distribution and also includes features that help deal with the so-called millennium hug and the 1999 change to

a single European currency. SAP's work force increased 53 percent over the past year, to 17,000 employees, and the company is likely to hire more than the 5,000 employees previously planned for 1998, said Henning Kagermann, the company's other co-chairman. The company said it set aside 35 million DM for the profit-sharing program in the second quarter. Without the program costs, second-quarter pretax profit would have risen 39 percent.

SAP's shares have risen more than 40-fold over the past five years, making the software maker Germany's second-largest company in terms of market capitalization behind Allianz AG, SAP commands 32 percent of the world market for software that helps manage production, distribu-tion, personnel and other functions.

4500실 MAMJJ AEX . 1,315.63 1,298.00 +1.36 3,632.07 9,600.25 +0.88 851-20 6,171.43 6,147.87 40.3 XAG 767,61 771,11 0.45 HEX General 5,509.85 5,421.94 +1.45 714.17 711.07 40.44 London FTSE 100 6.179.00 .6:174.00 .. +0.08 Madrid Stock Exchange 945.22 947.82 0.2 25946 25722 +0.87 4,368.91 4,388.48 -0.45 CAC 40 4,564.28 4,562.90 +0.09 5X 16 . 1,526.61 :1.517.22 +0.75 5,237.39 5,177.18 +1.16 SPI

London

FTSE 100 Index

Investor's Europe

Very briefly:

• German investment overseas reached 51.5 billion Deutsche marks (\$28.8 billion) in 1997, with investment increasing in 41 countries, decreasing in 12 and remaining unchanged in 19, compared with 1996, the German Chamber of Industry and Commerce said.

The German economy will "clearly" expand by more than percent this year, the head of the government's panel of economic advisers said. The government predicts growth of 2.5 percent to 3 percent this year after 2.2 percent in 1997.

· Siemens AG. Germany's largest electronics and engineering company, said it would not rule out the closure of poorly performing semiconductor plants as a way to cut production capacity and counter price declines.

 WorldCom Inc., the U.S. long-distance telephone com-pany, said it had begun operating a fiber-optic grid that links city-based networks it has built in Europe; the first phase of the project, called Ulysses, connects Amsterdam, Brussels, Frankfurt, London and Paris through 3,200 kilometers (1,984 miles) of fiber-optic cahle, and has a link to New York.

• Anglogold Ltd., the world's higgest gold producer, said first-half earnings rose 42 percent to 730.9 million rand (\$117.8 million) as it slashed costs by cutting staff and closing offices as part of a reorganization of the company. • President Mohammed Khatami of Iran, caught between

domestic factionalism and depressed world oil prices, has been forced to postpone a planned overhaul of the country's economy, analysts said.

• Shire Pharmaceuticals PLC's shares rose 10.8 percent to 540.5 pence (\$8.87) after the company said a drug it was developing for Alzheimer's disease could "significantly" delay the progress of the brain-wasting condition. · SAirGroup, the operator of Swissair AG, said it had agreed

with its European partners in the so-called Qualiflyer alliance
— including Austrian Airlines and Turkish Airlines — to coordinate ground-handling operations to cut costs as com-

 OPG Groep NV, the Dutch pharmaceuticals distributor, said profit for the second half of its financial year, which ended April 30, rose 14 percent to 37.4 million guilders (\$18.5 million), helped by cost-cutting efforts.

Russia Vows to Collect More Taxes

MOSCOW — Russia issued a new pledge Monday to improve its tax collection, hoping its efforts will win approval for a new International Monetary Fund loan.

Analysts said the Fund was expected to approve a \$5.6 billion loan after President Boris Yeltsin decreed tax increases to cut the budget

"In the end they'll probably give was quoted the money." said Constance news agency. Hunter, a portfolio manager at Firebird Capital Management in New approve its loan, which is part of a York. "The odds are they will come \$22.6 billion package, unless the bird Capital Management in New

through with the deal - but it's not Russian government raises more 100 percent." tax enforcement. At present the gov-

The World Bank, meanwhile, will decide early next month whether to release a \$1.5 hillion economic restructuring loan for Russia, of-ficials said Monday.

The decision will be strongly influenced by the International Mon- of the central bank, Sergei Dubinin, etary Fund, the World Bank's Moscow representative, Michael Carter, was quoted as saying by Interfax

The Fund has said it will not

Report Sees Oil Glut Until '99

LONDON - Production cuts pledged by oil exporting countries, even if adhered to, are unlikely to lift prices this year, and probably will not have much effect until 1999, the Center for Global Energy Studies said Monday.

Countries have since March pledged rels a day, waning demand from and kerosene, Bloomberg News re-Asia has made these cuts insuffi-ported from Manama. cient to eliminate the oil glut. Also, of the 1,245 million barrels a day in cuts meant to take effect in April, only about 80 percent have occurred, the report by the Londonbased group said.

Amsterdam

WORLD STOCK MARKETS

Composite index 2778.71
Previous 2725.48
45 28759 29350 28650
45 3775 37970 33995
465 9735 10000 10200
460 8459 8510 8505
460 8450 8500 47600
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Previous: 2470.89
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77.90 37.90 245.50 244.70
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77.90 227.70 277.90
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Brussels

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While members of the Organi- to spend \$400 million to improve its

London Brent crude futures, which it end. reached in March. It was trading down 16 cents Monday, at \$12.64. ■ Bahrain Refinery Upgrade

nine-year low of \$11.90 a barrel for land taxes by decree over the week-

The price of oil remains near a

The refinery is owned by the state-controlled Bahrain Petroleum. Co. Amid, the stainp in crude oil prices, a number of oil exporters have been seeking to lift production of more lucrative refined products.

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The government of Bahrain plans

State Duma, which is now in sumzation of Petroleum Exporting only oil refinery as it seeks to increase mer recess, criticized Mr. Yeltsin earnings by producing more lucrative and the cabinet on Monday, saying to cut production by 2.6 million bar- products such as diesel, heating fuel only Parliament could write tax "Whatever political and economic reasons are pressing on the pres-

High Low Clase Prev.

Hadiopad 100 index: 4077.54
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Johannesburg All Market 7272.53
Previous: 7408.57

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AngloAm Plot 35.70 44.00 85.00 44.00
Barthow 34.00 132.00 132.00 42.00
Barthow 34.00 132.00 132.00 132.00
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Kuala Lumpur

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shutdown of a key factory.

Shares of Norsk: Hydro ident, and the government, they should not violate the constitution," the chairman of the lower house's budget - committee, - Alexander Zhukov, said. (Reuers, AP, Bloomberg) High Low Close Prev. \$3.00 1710 3710 7970 2120 3970

(Bloomberg, AFP) Close Prev. 8000 1710 3650 7900 2110 3955 140 951 3831 91,10 541 800 1801 2972 905 1317 2792 10.75 12.25 93.50 21.50 107.50 4.10 955.00 43.50 51.50 11.75 91.50 100.00 100.00 252.50 252.50 253.00 253. France Telecal Laterage Lagradere Lagradere Lagradere Lagradere Lagradere Lagradere Lagradere Lagradere Lagradere Partaney A Permod Riscard Promodere Rosel Rosel Rosel Schneider ST Microsider St Gobolin St Gobolin St Gobolin St State Lagradere St State Lagradere St Gobolin State Lagradere State Lagrad

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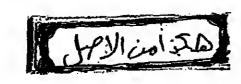
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Market Closed

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Cash Crunch **Threatens** Thai Firms

BANGKOK — The government said Monday that a cash shortage could force as many as 800 factories to close, putting as many as 270,000 workers out of work.

Trairong Suwankhiri, the labor minister, said the factories had insicated in a recent survey that they seeded about 36 billion baht (\$884.3 pillion) in financial assistance to pay off debts and maintain operations. In an effort to relieve the crunch, the government approved a plan to allow companies to delay paying midyear corporate tax until the end

The decision would help alleviate the pain caused by the liquidity crunch, Finance Minister Tarrin Nimmanahaeminda said.

verge of shutting was not surprising.

"The 270,000 new jobless number is possible as we project that there will be around 2.9 million Thai jobless this year due to the liquidity squeeze still spreading throughout the country." Mr. Sompob said.

If the unemployment figure rises

to 2.9 million people, almost one in 10 of Thailand's workers would be pobless. The National Statistics Office has estimated domestic unemployment at 2.7 million people so far

New Rules for Thai Banks Half of Thailand's 16 commercial

banks will report large secondquarter losses because of changes in the definition of nonperforming loans, Chatu Mongol Sonakul, the Bank of Thailand governor, said Monday, according to an Associ-ated Press report from Bangkok. Financial institutions are expected to report second-quarter earnings this week. The institutions are phasing in stricter rules defining conperforming loans. Previously, fully collateralized loans would not be counted as nonperforming until payments were missed for 12 months. In the second quarter, however, a gooperforming loan will be defined as one overdue for six months and in the third quarter, three months will become the limit. Analysts estimate that conperforming loans account for around 35 percent of total loans.

Singapore Exports Rally in June

The Associated Press
SINGAPORE — Singapore received some unexpected good news Monday as Inte figures

that Singapore may be able to exports.

The surprisingly strong performance in June came after two months of negative figures. Non-showed a release of the surprisingly strong performance in June came after two months of negative figures. government economists predicted

an overall decline in exports for the nature. Domestic exports other than oil, which are a key indication of overall economic performance, rose 6.1 percent in June from a year earlier, the Trade Development

Board reported. The growth ran counter to most economists' expectations of a de- continued oversupply of electronic

that Singapore may be able to

June figures were "statistical" in

The positive June results were tempered by a sobering updated forecast for total trade in 1998. The board expects Singapore's total trade to decline 4.5 to 5.5 percent this year because of the Asian crisis, slower growth in the U.S. and European economies,

showed a rebound in exports, but and Industry — cautioned that the oil domestic exports shrank 4.8 percent in April and 1.7 percent in

> Total oon-oil exports in June were 7.9 billion Singapore dollars (\$4.7 billion), compared with 7.06 billion dollars in May, the report

After a sharp initial gain, Singa-pore shares ended the Monday trading session slightly higher, with the benchmark index rising cline for the month, raising hopes prodocts and persistently weak oil 7.22 points to close at 1,102.32.

Export Drop Cuts Taiwan Growth Outlook

TAIPEI - With Asian economic turnoil cutting deeply into Tai-wan's exports, a private think tank running their business," he said at a Sompo Manarangsan, an ecoaomics professor at Bangkok's Cholalongkorn University, said the news
that so many factories were on the said Monday that it had lowered its economic growth forecast for 1998

But the group, the Chunghua In-stitute of Economic Research, preto face a labor crisis that could dicted 6.18 percent growth next to \$53.3 billion.

worsen in the second half of this year, wear, in expectation of a recovery in the region.

Industrial production grew only the region. the region.

'As the whole world suffers from a slow economy, it's hard for us to stay unscathed," said Chou Ji, a research fellow at the institute.

"The fundamentals of our econ-ports, the insotute said. The computer omy haven't been shaken, but en-

Taiwan's exports fell 7 percent, to \$54.5 billion, in the first half of this year, compared with the same peri-

Industrial production grew only 0.69 percent in May, compared with 6.85 percent growth a year earlier. The worldwide oversupply in the semiconductor industry contributed

and semiconductor industries con-tribute more than 40 percent of the value of Taiwan's industrial output.

■ Chipmaker's Profit Off

Taiwan Semiconductor Manufacturing Co. said Monday that its net profit dropped 46 perceot, to 3.76 hillion Taiwan dollars (\$109.4) millioo), in the second quarter.
But the chipmaker said profit for

the first half of the year still rose 62 percent, to 10.71 billion Taiwan dollars from 6.6 billion, as sales rose to to the lackluster performance in ex- 27.34 billion from 16.89 billion.

Indonesia Says Japan Refuses To Yield on Rolling Over Debt

JAKARTA — Japan is balking at rolling over In-donesian debt, Finance Minister Bambang Sobianto said at a bearing at the House of Representatives on Monday.

The Indonesian government is trying to convince lenders to roll over about \$4 billion in sovereign debt to keep its budget deficit under control, allowing it to remain in compliance with the terms of the \$49 billion International Monetary Fund bailout.

"We can't roll over this debt unilaterally, we have to talk to these people and reach an agreement first," Mr. Suhianto said.

Last week, Indonesia reached agreement with some of its lenders on rescheduling principal repayments oo some of its \$54.4 billioo in foreign debt, said Ginandjar Kartas-asmita, the coordinating minister for the economy. The Japanese are Indonesía's largest providers of subsidized loans and direct aid.

Separately, Mr. Subianto said Japan had threateoed to cancel all aid to Indooesía if the country's companies insisted on rescheduling their loans, Most Indonesian companies have had to delay debt payments because of the more than 82 percent plunge in the rupiah in the past year and the contraction in the ecocomy. Indonesian companies have about \$20 billioo in foreign

debt coming due this year, with commercial banks owing off, almost a third of all bank loans, another \$9.2 billion, Mr. Ginandjar said in June (Reuters, AP, Bloomberg)

Car Output Halted at 2 Korea Firms

ULSAN, South Korea - Operations were suspended at Korea's two major carmakers on Monday as Hyundai Motor Co. halted opera-tions and Daewon Motor Co. union members Monday launched a threeday strike.

The hard-line Korean Confeder-ation of Trade Unions also said it would stage a general strike Thurs-day if Hyundai did not reverse its layoff decision.

But the key stock index in Seoul surged 6.1 percent as concerns eased over labor nurest. Traders said worries over the issue appear to be tapering off because many workers seem to be accepting the fact that layoffs are inevitable for economic reforms. The Korea Composite Index closed up 21 points at 365.18.

A senior presideotial adviser said the government would not back away from labor-market reforms.

Meanwhile, tension was growing

at Hyundai Motor's major plant in the southeastern eity of Ulsan. Hyundai, a flagship of the Hy-undai Group has said it needed to lay off 2,678 workers to deal with falling domestic demand caused by the country's economie crisis.

Hyundai Motor suspended operations for one day on Monday because it feared violence after the

Daewoo Motor union members launched their strike after wage cegonations with the second-biggest auto manufacturer broke down, company spokesman said.

Daewoo Motor issued a statement saying that 2,995 of its workers, or 20 percent of its total work force, are surplos to its needs. Bot Lee Sung II, a company spokesman, said Daewoo has yet to decide whether to resort to layoffs.

Separately, losses at South Korean banks widened in the first six mooths of the year after they set aside more provisions for bad loans and stock investment, the industry watchdog said.
The Financial Supervisory Com-

mission said at best just five of Ko-rea's 26 banks made money in the first half. The results will be announced as early as Thursday.

"Combined losses at banks widened by about 30 percent from a year ago, said Chang Hyun Ki, an official at the Bank Supervisory Board.

The government estimates as moch as 100 trillioo woo (\$78 billion) of debts may oeed to be written . . (Reuters, AP, Bloomberg)

Investor's Asia Hong Kong Hang Sang 12000 1750 -11000 AA 1600 1 10000 1450 F 16400 - **V** 15800 15200 14600 F M A Hong Kong Hang Seng 1,102.32 1,095,10 Singapore - Strats Times All Ordinaries. 2,787.90 2814.70 Closed 18,570.78 Kunia Lumpus Composite giyok SET Completion frames 365.16 SW.19. Spc://Market Index 8,047.67 8,082.60 1,734.45 1,787.26 Westington 40219-00." 2160-23 2.7729 3.79

Very briefly:

 Malaysia is going to allow foreign companies to own up to 51 percent of companies engaged in foreign trade. Megat Junid Megat Ayob, the domestic trade and consumer affairs minister, said foreign companies might be allowed 100 percent ownership if they made Malaysia their regional distributioo center. The current equity ownership limit is 30

Sombley Seristing latery 3,494.75 \$200.60 220

 Indooesian new car sales plunged 95 percent in June to their lowest monthly level in at least three years as surging car prices and interest rates continued to erode demand. Sales fell to 1,833 cars from 38,733 in June of last year. It was the seventh consecutive monthly decline in car sales.

• Lucent Technologies Inc., the U.S. telecommunications equipment company, offered 114 million Australian dollars (\$71.8 million) to buy JNA Telecommunications Ltd. of

• Rhone-Poulenc SA's agriculture unit, Rhone Poulenc Agrochimie SA, is buying 86 percent of Chunjin Co., a South Korean agrochemical company, for an undisclosed amount Chunjin reported sales of \$53 million last year. Rhone Poulenc Agrochimie said it wanted to expand in Asian, particularly Korean, markets.

· Vietnam cut its economic growth target for the year to between 6 percent and 7 percent from 9 percent because of the Asian crisis. For the first half of the year, Vietnamese exports grew by 10.6 perceot, one-third the growth rate of a year

 J&A Securities Co. of Shanghai, China's second-biggest brokerage, will probably be placed under the management of China Guotai Securities Co., Guotai employees said. Four executives of J&A were recently summoned to Beijing for

 India, the third-largest coffee producer in Asía, will harvest 10 percent less coffee this seasoo than last because of a

 Pepsi-Cola Products Philippines Inc., a licensed bottler of Pepsi products and a unit of Guoco Holdings Philippines Ioc., said sales volume jumped 69 percent in the financial year ended in June 1998. AP, Bloomberg, Reuters

KOREA: Hangul & Computer Co. Rejects a Planned Investment by Microsoft Corp.

privileges: It is protected, for

Continued from Page 13

forumes. The announcement was a rebuff to the Microsoft chairman, Bill Gates, who visited Korea last month just two days after Microsoft Korea had come to terms. Microsoft said it would withdraw its Hangul investment offer but would continue to invest in the Korean market.

Kim Jac Min, general manager of Microsoft Korea, called the decision "unfortunate." He said Microsoft Korea had been "working hard to establish a cooperative relationship with the Korean software company.'

The success of the movement against Microsoft reflects widebasic national interests, as well as the

MONEY MAKEOVER -- A woman

holding Malaysia's new 50 ringgit notes,

which began circulating on Monday.

on Korean language and culture.
"It's obviously oot a good signal"
to foreign investors, said Peter Un-derwood of Industrial Research & Consulting, which specializes in ad-vising potential investors. "The amount is too small to hit the statistics, but it's high profile, and it's in

a very strategic industry. Under the deal, Hangul & Com-

puter was to have withdrawn from producing software for the Korean spread suspicion here of investment by foreigners, especially into companies that are viewed as closely tied to crosoft to invest in other projects. But the accord created a nationwide backusers and other software companies as well as in the media.

Lee Chan Jin, the Hangul chairman, said Monday he was "very happy" that he had decided to save the software program that he had launched at the age of 25. The software cootrols 80 percent of the market in Hangul. Microsoft's MS Word Hangul software ranks a distant second with 20

percent of the market. Mr. Lee announced his decision at a press cooference with Lee Min Hwa, leader of the "Save Hangul Committee" and president of the Korea Venture Business Associatioo. One reason for Lee crosoft was that MS Word's Hangul system does oot include certain ancient character and word formations that Korean language purists believe were essecoal.

Hangal, devised in the late 14th century as a writing system that employs 24 characters, ranks as one of Korea's proudest, most enduring intellectual achievements.

STMicroelectronics

CONSOLIDATED RESULTS FOR THE FIRST SEMESTER **ENDED 4 JULY 1998**

STMicroelectronics reports a 10.4% increase in 1998 Second Quarter net revenues.

CONSOLIDATED STATEMENTS OF INCOME (Extracts)

In millions of US dollars (except per share data)	First semester ender 04/07/98 28/06/97			
Net revenues	2,075.7	1,914.6		
Gross profit Total operating expenses Operating income	795.0 (555.3) 239.7	735.0 (505.6) 229.4		
Net interest expenses Income before income taxes and minority interests	(1.1) 238.6	(1.4) 228.0		
Income tax expense Net income before inhocity interests Minority interests Net income	(50.3) 188.3 (0.6) 187.7	(46.9) 181.1 (1.5) 182.6		
Estaings per share (basic)	USD 1.35	USD 1.31		
Empines per share (diluted)	USD L34	USD 1.31		

CONSOLIDATED BALANCE SHEET (Extracts)

In millions of US dollars	94/97/98	31/12/97
Total assets	6,128.3	5,445.7
Shareholders' equity	3,678.2	3,307.4

The full text of the second quarter and first semester results' press release is available for the public at the office of Crédit Agricole Indosuez, Secrétariat Financier - Actions - 92920 Paris La Défense Cedex,

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ASSETS		
Cash and Due from Banks	\$	317,695,94
J.S. Government Securities	-	
Direct and Gueranteed		152,390,01
State and Municipal Securities		B2,575,91
Federal Funds Sold and		
Securities Purchased Under Agreement to Resell		272,333,96
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Freding Assets		73,117,69
Sustomers' Liability on Acceptances		14,925,65
nterest and Other Receivables		62,829,32
remises and Equipment, Net		44,905,39
Other Assets		15,400,29

\$2,176,092,999 LIABILITIES \$1,758,287,027 Federal Funds Purchased and Securities Sold Linder Agreement to Repurchase 7B,662,633 Trading Liabilities

Acceptances: Less Amount in Portfolio 48,274,109 49,623,578 190,000,000

Peter B. Bartlett. Brian A. Berris John J. Borland Kyosuka Hashimoto Noah T. Harndon Landon Hilliard Radford W. Klotz Douglas A. Donahue, Jr. Anthony T. Enders Alexander T. Ercklentz Michael Kraynak, Jr. Susan C. Livingston Alexander I. Ercklen T. M. Farley John A. Gehret Bhridge T. Gerry, Jr. Kristen F. Gierrusso Robert R. Gould T. Michael Long Hampton S. Lynch, Jr. Michael W. McConnell William H. Moore III

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INTELSAT: New Director Plans Privatization

reer executive to be elected director-general. The previ-ous four, incleding Mr. Gold-via competitors' satellites. mization. He wants to meet with members and others in stein, a former Comsat chief executive, represented "sig- has helped Intelsat's revenue a plan. But he said one of his natory" nations.

Member nations felt he could take the most objective this year ipproach to dismantling the zanizatioo.

Mr. Goldstein has tried hard to change Intelsat's image and self-concept since he for Ariane rockets, experinatories are now called 'cus- rect-to-home broadcasting

searco. His most recent position to break Intelsat's stition was vice president for operations and engineering. Not surprisingly, Intelsat bigh-level positions through a seem to internet as a primary by denying it access this year in moving legislation in Congress that would force the immediate privatization of Intelsat by denying it access to the operations and success this year in moving legislation. culture of lifetime employ-ment, Mr. Goldstein shed 120 generous early retirement program, helping to reduce full-time staff from 1,000

Those changes reflect the new compentive era of satellife communications. A decade ago, intelsat controlled most of the world's transoceanic voice, data and video communications. But undersea fiber optics have taken away most of Intelsat's telephone business, providing links that are cheaper, higher-capacity and faster than those accomplished through highorbiting satellites. Video transport now accounts for three-quarters of Intelsat's revenue, but Hughes Elecmonics Corp.'s PanAmSat Loral Corp.'s Orioo unit the eating into that business. Intelsat used to handle 100 percent of the video signals from events such as the Olympics and World Cup

Continued from Page 13 soccer, for example. But veal his thinking on exactly roughly 40 percent of the how to carry off Intelsat's devideo from the recent World mise as a treaty-based orga-

Still, an expanding market the industry before unveiling grow from \$550 million in first priorities will be to re-1992 to a projected \$1 billion move Intelsat's treaty-based

Mr. Kullman is an engineer example, from being sued for who formerly worked for violating antitrust laws. It saab Space AB in Sweden, also has tax advantages in designing computer systems

source of future growth.

corporate offices.

many member nations. Those privileges and imtook the helm in 1992. Sig- mental satellites and early di- munities, Mr. Kullman said, have been "more of a tomers." Instead of waiting satellites. He joined Intelsat hindrance than a benefit," for members to request satelin 1983, taking on compoter providing critics with potent life services from Intelsat, the and software design respon- fuel for their arguments that group oow has sales offices sibilities and later directing Intelsat plays unfairly in the and marketers trying to boost lanneh operations and remarket Intelsat's critics have had success this year in movsearch. His most recent po-

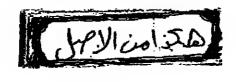
by denying it access to the U.S. market. Intelsat members Satellites are well-suited for resent what they see as strong-'push' applications, such as arm tactics by Congress, while sending large volumes of data lawmakers are frustrated at to the networks of far-flung what they view as Intelsat's member nations trying to hang Mr. Kullman will not re- on to monopoly protections.

INDOSUEZ HIGH YIELD BOND FUND Société d'Investissement à Capital Variable Registered Office: 39, Allée Scheffer L-2520 Luxembourg

RC Luxembourg B: 43,962 NOTICE TO THE SHAREHOLDERS

This is to inform the Shareholders of the INDOSUEZ HIGH YIELD BOND FUND Sicay that the Board of Directors' Meeting held on June 30, 1998 decided to pay a dividend of USD 3.20 per share to the holders of Distribution Shares.

The shares will go ex-dividend on July 21, 1998 and the payn of the dividend will be carried out on July 29, 1998. The Board of Directors



Arsenal Pursues

soccen Arsenal, the English champion, has asked English soccer authorities if it can play its European Champions League games at Wembley Stadium in northwest London, the club said Monday. The cluh is based at Highbury in northeast London, which has a capacity of 35,000. Wembley can hold 70,000.

Wembley Matches

Last season, Arsenal sought permission to move all its games to Wemhley but was turned down by the English Football Association.

UEFA, the governing body of European soccer, supported the plan. "We are backing the move because it means more genuine fans will be able to see Arsenal in Europe," said Fritz Ahlstrom, a UEFA spokesman. (AFP, Reuters)

The Hosts With the Least

SOCCER Three British companies went into liquidation Monday after being unable to deliver World Cup tickets to customers.

The corporate hospitality companies, with debts exceeding £5 million (\$8.22 million), collapsed when a supplier failed to deliver tickets that had been

ordered and paid for.
The Mall Corporate Events, International Championship Management and Champion Cup Hospitality said they had sought tickets on the black market to honor commitments but found tickets scarce and expensive.

The companies all used Great Portland Entertainments as their main supplier, but it also failed to provide tickets ordered by thoo-sands of England and Scotland fans. Great Portland Entertainment directors go before the English High Court on Wednesday.

· An English fan was seotenced to two months in jail in Marseille on Monday for throwing rocks at po-lice before England's World Cup match against Tunisia in June.

Garry Wyatt, a 30-year-old car-penter from northeast England, was arrested June 14 after attacking the

Graf Overcomes Coetzer

nes Steffi Graf continued her comeback Sunday, beating Amanda Coetzer, 6-3, 6-3, in the final of the A&P Classic in Mahwah, New Jersey.

Funk's Nerve Holds

GOLF Fred Funk made four hirdies down the stretch Sunday to win the Deposit Guaranty Classic in Madison, Mississippi. Funk had a 4-under-par 68 final round to finish at 270. Franklin Langham blew a four-stroke lead on the back nine. He shot a 68 to finish at 272, tied with Paul Goydos and Tim

WORLD ROUNDUP O'Meara Learns Winning Ways

Tiger Woods Helped to Motivate Him, British Open Champion Says

By Christopher Clarey national Herald Tribune

SOUTHPORT, England -- When Tiger Woods decided to move into a con-dominium in Orlando, Florida, in 1996, he and his advisers were oot only choosing a good neighborhood. They were choosing a good neighbor: Mark O'Meara, a level-headed, good-humored professional who, Woods's advised the second second thing. visers hoped, would become something of a mentor to golf's latest prodigy.

O'Meara has become that and more, developing a close and communicative friendship with Woods who is 19 years his junior and the world's top-ranked player. But as O'Meara thrust both arms triumphantly skyward on the 18th greeo at the British Open on Sunday evening, it was suddenly difficult to decide which friend had benefited the most from the

connection.
Until this year's Masters, O'Meara had played in 56 major championships without managing to win. But in April at Augusta National, amid the dogwoods and the memories, he birdied the final two holes, holing a 20-foot putt oo 18 to put a dramatic end to that streak.

Three months later, on a Royal Birkdale course without trees and frequently without mercy, the 41-year-old O'Meara again made excellent use of his putter down the stretch, beating Brian Watts, an American who usually works in Japan, in a four-hole playoff. "If I could put my finger on it, I

would have done it earlier in my career," O'Meara said of his victories. "It's just not that easy. I think that it's maturity and time and just a little hit of

But surely it cannot be a coincidence that the man who for the last two years

golf under pressure in the world.

"Tiger has helped me," O'Meara said. "At times, I realize that I look at Tiger's talent and his technique and his swing, and I think he's a better player. than I am. That motivates.

There is something reassuring about watching O'Meara have a career year

BRITISH OPEN

instead of a crisis in midlife. O'Meara does not exude power or athleticism. With his graying sideburns, round face and rounded torso, he is an everyman who happens to possess a talent for a game that is as much a craft as a sport. That talent has made him much

wealthier than most craftsman, but has not made him many enemies. 'A class act," said Watts.

Most people in golf share that view, which is why what happened to O'Meara after his victory at the Lancome Trophy in France last September was so troubling to him. This spring, a package arrived at O'Meara's home sent to him by the manager of Lancome runner-up Jarmo Sandelin of Sweden. It contained a videotape that showed O'Meara incorrectly replacing his ball on the 15th green in the final round. gaining a fraction of an inch on a short

Sandelin wanted O'Meara to return the trophy, but though O'Meara agreed after viewing the tape that he could have replaced his ball more accurately, he sisted his error was unintentional.

O'Meara kept his trophy, and in the third round Saturday with a more important one at stake, O'Meara had an opportunity to confirm that he is a

has dined Woods and frequently practiced with Woods is playing the finest the 6th hole, his second shot had drifted the 6th hole, his second shot had drifted into the right rough, and when he arrived to look for it, a number of spectators were searching and stamping down the tall grass in the process. They found nothing, and O'Meara walked back up the fairway to replay his shot before the five-minute time limit expired.

Before it did, someone found his ball, but he was too far away by now to retrace his steps and identify it in time. A lost ball would have cost O'Meara at least a stroke; playing from a horrible lie could have cost him more. Bot David Rickman, the tournament rules secretary, said that O'Meara's reaction was exemplary,
"Tell me what to do, and I'il do it." In
the end O'Meara was not penalized. He
dropped his ball and salvaged a bogey,
and though it would be misleading to say that this escape won him the Open, it certainly improved his chances.

"I think that any player who wins a tournament realizes that good luck has been on their side that week." O'Meara said Sunday. "Fortunately for me, I had a bounce on six."

After watching him wait 18 seasons to win a major, it is difficult to begrudge O'Meara the bonness that have helped him win two.

Before the final round began, Jesper Parnevik, a younger man from Sweden who has yet to break through, asked O'Meara, "Does it get any easier now? Do you feel different than when you teed off at Augusta on Sunday? O'Meara told Parnevik he was just as oervous this time. It rarely showed, and as at Augusta, the only round O'Meara finished stop the leader board was the last one.

In modern golf, where the rewards are ever higher and the media pack ever



Mark O'Meara, the British Open champion, with his son Shaun.

denser, that is the least stressful way to get one's hands on the hardware, and O'Meara is already intimately acquainted with this trophy. In 1991, after Ian Baker-Finch of Australia beat O'Meara, trief of the stressful way to friend to his house to sip from the cupe. This year, it is O'Meara's turn to issue invitations, and he already has a guest list: "If Tiger wants a sip out of is, he's more than welcome," O'Meara among others, to win the last Open at said, "because I imagine his name will Royal Birkdale, he invited his American be on it some day, too."

His Eyes on Distant Peaks, Julich Stays Cool as Tour Heats Up

By Samuel Abt International Herald Tribune

PAU, France — That wasn't Bohby Julich whom the Cofidis team sent ahead to protect its interests when a handful of low-ranked riders went on a long hreakaway Monday for the second successive day in the Tour de France. Joining breakaways like that is the work of a domestique, a servant in French. and Julich is anything but this year.

After his 17th-place finish in the last Tour, his fourth place in the prologue in Duhlin and his third place in the in-dividual time trial oo Saturday, this is the new, improved Bobby Julich. His domestique days are over because he ranks as a co-leader of the Cofidis tearn, based in France.

He is careful to be politic about his role: "I expect to be strong enough to support Francesco Casagrande," nominal team leader, "in the mountains and to finish better than I did last year."

But now that he is in seventh place just before the mountains, where he is expected to shine, his goals are higger.

the start of the ninth daily stage, 210 steamy kilometers (130 steamy miles) from charming Montauban to hospitable Pau, the doorstep to the Pyrenees.

"Learning is all that matters," the 26-year-old from Colorado said. "I may not win the Tour de France this year but I hope to win it in the future. You put from them."

Julich protected his position by crossing the line 31st Monday in the same time as all the other major conteoders. Less fortunate was another American

who had been in the top 10. Tyler Hamilton of the U.S. Postal Service team suffered a heatstroke and dehydration as the temperature reached 40 degrees Celsius (104 degrees Fahrenheit) and lost 18 minutes 18 seconds.

"We thought he was gone, would have to drop out," said a teammate, Marty Jemison. Hamilton fell to 160th among the 168 riders remaining of the 189 who started the Tour July 11.

The winner after a 170-kilometer

"This is only my second Tour and I'm breakaway was Leon van Bon, a Dutch-still learning," he said Monday before man with Rabobank, who beat Jens Voigt, a German with Gan, by half a wheel in 5 hours 21 minutes 10 seconds, a speed of 39 kilometers an hour.

Third was Massimiliano Lelli, an Italian with Cofidis, the domestique who sped across to the breakaway and

TOWRDE FRANCE :

stayed with it in case it gained so much time that it took the yellow jersey away from Laurent Desbiens of Colidis. In that case, the team would have another

rider at or near the top.

Despite the heroic efforts of Voigt, the main pack finished just 12 seconds behind. The hreakaway's lead topped

out at 4 minutes and change. Voigt, who began the original acceleration, did most of the work over the rolling course, frequently dousing his head with water bottles passed to him by fans. He started the final sprint about 200 meters from the line but could not quite hold off van Bon, who passed the finish with his arms uplifted while the German

was slumped, shouting in frustration. Desbiens retained the yellow jersey by 14 seconds over Andrea Tafi, an

Italian with Mapei, who twice tried to speed away and gain that precious time. He failed. Third overall is Jacky Durand, a Frenchman with Casino, 43 seconds behind. They all should disappear early in the Pyrenees.
Julich knew Mooday morning that if

was not expected to chase it. "That's not my job today," he said.
"My job is tomorrow." The riders, minus the Italian sprinter Mario Cipollini, who dropped out Monday, face four big climbs on Tuesday and four more on Wednesday.

"I'm looking forward to the mountains," Julich said, "Last year I was scared of them." He lost 22 minutes last year in the first day of climbing in the Pyrenees hut came back strongly, es-

pecially in the Alps.
"The memories that I have of the last week in the last Tour are fantastic and those are mainly in the mountains. That's what I want to feel again.

"Last year it was a question of mor ale," he said. "I was very nervous last year in the first two weeks but this year from the start I've felt very relaxed an very motivated.

The time trial did a lot for my confidence. The prologue did a lot for my confidence. Phase One is complete. I had a good prologue, stayed out of trouble if the crushes and had a good time trial. I say The Pyrenees aren't quite my style,

1 like more the Alps. But I'm ready." Many riders are joited when the race ends its traditional first week on the flat and starts uphill Many observers, in fact, expect Jan Ullrich, the defending champion, to have trouble Tuesday be cause weight problems limited his train-

ing and racing during the spring.
"You've got to be strong right away."
Julich said. "This year I've pushed myself a little bit more on the smaller climbs," tested myself in the time trial and worked harder in some of the bonus sprints.

The object was to get ready for the mountains. This year I'm ready for them, I think. I hope."



Gewas Schindler taking a breather.

When Iroquois Play Lacrosse, It's for Heritage and 'the Creator'

By Chris Swezey Washington Post Service

ASHINGTON - They practice at the edge of campus, on V a large field without goals or field markings at the edge of a forest. Seeing the Iroquois Nation's lacrosse team work oo passing and ground balls the spiritual importance of lacrosse in the bucolic setting at Johns Hopkins from the first time a player picks up a University in Baltimore must be rem- stick. iniscent of how the Indian tribe, one of the game's inventors, played it centuries ago, using trees for goal posts on fields without houndaries.
"The Iroquois called the game "te-

"The Iroquois called the game "te-waarathon," meaning "little brother of war." Peter Lund wrote in "The His-playing. tory of the Game of Lacrosse: From the American Indians to the Present." Lund said the Indians used the sport "to keep their warriors in shape, to settle

figure Deganawidah who, according to Iroquois legend, united the Six Nations

of the Iroquois." The six nations -- the Oneida, Onondoga, Cayuga, Seneca, Mohawk and Tuscarora - reside mostly in apstate New York and Canada and are taught

Tony Gray, the Iroquois captain who grew up on a Mohawk reservation in upstate New York and coaches a high school eluh team in Arlington, Virginia,

"It was a 'medicine ball' game," Gray said. "We play when someone in the tribe is ill or having personal problems. The medicine man sews spices disputes between tribes and as a spir- and medicine, which will help the perinual exercise to amuse and please the son, inside a leather ball. We play be-

Creator, believed to be the godlike cause we believe it will please the Cre- 1990 World Games in Perth, Aus- federation's rules to their advantage. ator, and he will then help the sick tralia

Gewas Schindler, an Oneida tribe member and attackman for the Iroquois, said he felt a special kinship to lacrosse. "The game is part of our heritage," he said.
The ties between Native Americans

and lacrosse are well-known. But for to play alongside other countries." more than 100 years the Iroquois were barred from participating in interna-tional competition or joining the International Lacrosse Federation, founded in 1974, because their lacrosse leagues were considered professional.

In 1989, a group led by Oren Lyons, an Onondoga tribe and Lacrosse Hall of Fame member, petitioned the feder-ation to be allowed to play in international events. They stressed to the federation how much the game meant to them spiritually and historically, and they were allowed to join in time for the

in respect of our anthem and have our with a head width of 6.5 inches (16.5 nation's flag flying at the World Games," said Lyons's son, Rex, 36, an attackman on the team. "When we finally got in, it was a great privilege. It's a political statement when we are able

THE IROQUOIS say the requirements to play for their team are tougher than for other countries, mostly because tribal chiefs can dismiss players from the team for any number of

"The team is regarded as a role model on the reservations," Schindler said. "Everyone on the team has to be a good person and be interested in representing the Iroquois well or else the chicfs will

The federation allows players to use "It means a lot to have people stand both traditional field-lacrosse sticks

> centimeters), the same as mandated by the National Collegiate Athletic Association — or box-lacrosse sticks, with a head width of four inches. In the team's 10-9 victory over England last Friday, Lyons scored the game-winner using a box lacrosse stick Lyons, who leads the team with la goals in four games, said he uses that stick because it's harder for defense, men to check away the ball.

The Iroquois have three losses in the tournament — 13-9 to Australia, 23-8 to Canada and 20-8 to the United States — but the players said they were not concerned. "We play to please the Creator, so there is no pressure on us to win or lose," Gray said. "Actually all the not let them play."

teams here are playing for the Creator at well—they just don't know it."

SECOND ROUND PLAYOFFS Ireland 5 Manage 9 ASIA-OCTABLA ZONE

GROUP ONE, SECOND ROUND PLAYOFFS"

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CRICKET DESETSIBLE VS. SOUTH APRICA THREE DAY MATCH, FRAL DAY MONDAY IN DEPOY, SHOLAND Destroistic 337 and 327-4 declared

South Africa: 453-7 declar Match ended in a draw. GOLF DEPOSIT GUARANTY CLASSIC

Final scores Sunday of \$1.2 rollion Deposit Quaranty Classic on 7,157-yard, par-72 Annandale Golf Club course near 87-44-48-270 87-47-48-46-272 Tim Loustolot U.S. 67-67-70-68--772 Paul Goydes, U.S. P.H. Horgan 3G, U.S. John Moslines, U.S. Kirk Triplett, U.S. 66-65-72-68-272 70-71-66-66-273 68-77-68-65-274

WORLD RANKINGS 1. Tiger Woods, U.S. 11.82 points 2. Davis Love, U.S. 10.59 2. Ernie Els (South Athon, 9.95 L Mark O'Means, U.S. 9.57 S. David Duval U.S. 9.42

6. Cells Moregomerie (Referior). Greg Nortem Lustanille, 8,54 8. Let Westwood (Brillein, 8,03 9. Nick Price (Zimbobws, 7,94 10. Pril Mickelson, U.S. 7,90 12. Junija Lavadrid, U.S. 7,14 13. Alexachi (Zoold, Japan, 7,11 14. Jim Furri, U.S. 6,59 13. Vitar Shoth, Fill. 6,25 5. Vitay Shigh, Fill. 6.25 17. Sout Hoch, U.S. 5.76

SOCCER

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Erechedo, Neft. 2. Austria Salcharg 2.
Sologna, It., 2. Dynama Bacharest, Rott., 0.
Austrin, France 1, Espanyot, Spain 1.
Ruch Chotane, Pol., 1, Amaston, Partugal 1.
Bastia, France 2. Alary Lank, Torkey 0.
Lommal, Seightra 1, Bramen, Germany 3.
Harebeita, Beightra 1, Bramen, Germany 3.
Harebeita, Beightra 1, Somesanbot, Tot., 2.
DYSC-Epone, Houseay 1. Resistot, Ger., 1.
Volencia, Spain, 4. Yarosine, Rossia 1.
Volencia, Spain, 4. Yarosine, Rossia 1.
July 3. Lankout Boccash.

New York-Hew Jessey 3, Cotombus 6

Perophay 5 Jamaico 6 Karacas City 4, Colorada 1-

Boy 12: New England 16: Milani 14. Western Conference: Los Angeles 46 points: Chicago 37: Caloredo 23: Kensos Cily 23: Dojias 19:

TENNIS WITH EASTERNESS Mortina Hingls, Switterhand, S.845 poli
 Jones Novetna, Czech Republic, 4,615
 Lindory Devemport, U.S., 4,64
 Aventha Septicher Victoria, Spain, 3,264
 Monico Soles, U.S., 2,997
 Monico Soles, U.S., 2,997

6. Vertes Willems, U.S. 2,949 7. Conchita Martinez, Spain, 2,902 8. Amanda Control, South Africa, 2 9. Irlan Spitten, Romania, 2,181 10 Hathalle Touziat, France 2,162 11. Pulty Scheyder, Switzerlond, 2,142 12. Deminique Van Roost, Beiglam, 1,9 13. Sandrine Testud, France, 1,843 14. Marsy Pierce, France, 1,800 15. Natasha Zyeren, Belares, 1,714 16. Anna Konnikova, Russia, 1,482

DAVIS CUP Under Proper COUNTY VIOLE |
Under State 4, Belgion 1
Todd Martin, U.S., del, Xavier Malisse, i. glan, 7-6 (7-1), 6-3.
Christophs Van Garne, Belgiom, def. J. Couries U.S., 3-6, 4-1, retired.
Antification Van Garne, Belgiom, def. J. Couries U.S., 3-6, 4-1, retired.
Antification Value Property Couries (Property Couries Value Value

TRANSITIONS SASTBALL. AMERICAN LEAGUE

AMARKAM—Bought contract of RHP Felipe
Sucret from Hursingrou, HL,
CHICACC—Agned to tenss with RHP Joch
Fost, Put C Charlie O'Brien on 15-day disabled list Called up C Robert Machado from Calgary of PCL_

Cologny of PCL.

DETROIT—Put INF Billly Ripken on wonver for purpose of giving him his unconditional ralesse. Purchased contract of RHP A.L.

Soger from Toledo, IL.

MATIONAL LEAGUE.

ARIZONA.—ACTIVATED (MF. Andy Stankiewicz from 15-doy disobled list. Put 38 Math Williams on It, retroscine to July 17.

AYLANYA.—Recolled RHP Mark Wohlers from Richmond. IL. Optioned RHP Mile.

Cother to Richmond.

CENTENNAT.—Recolled C. CHRIMMER. Paper to Richmond,

CHICKELATI—Reculled C Guilliermo Gardo

sho Indianapolis, il. into Indianopolis, it.

Milmaticus—Signed RHP Michael Pendry and assigned him to Helena, Plag-League.

Mostrikal.—Sent RHP Shown Bookle outinght to Ottown, IL. Purchased the contract of
C Bob Herley from Ottown.

PROTEGAL

MEJIONAL ROCTURAL LEAGUE
CHICAGO.—Normed Pot Roberts scout.—
SHEEN BAY.—Signed OL. Jeff Dellerboch
and CB Terry McDoniel, Wolved RB Apron
Hayden.

In the NL, War for the Wild Card

Cubs, Giants, Mets and Phillies Battling Behind Division Leaders

With the Atlanta Braves in command in the National League East, the San Diego Padres cleaning up in the West and the Houston Astros fruising in the Central, the hase for the NL wild-card erth is heating up.

On Sunday, the Chicago isco Giants in the running For the slot, San Francisco the New York Mets and Phildelphia are all within three ames of Chicago Los Angeles dropped 4½ games behind the Cubs after losing in St. Louis.

Chicago edged ahead of San Francisco by taking advantage of a throwing error by the Marlins' Rob Stanifer in the top of the 12th inning and holding on to win, 7-6, in

Stanifer threw away: a bunt, allowing two runs to score, and a sacrifice fly by Heary Rodriguez made it 7-4. The Marlins rallied in the bottom of the 12th against Rod Beck on run-scoring singles by John Cangelosi and Cliff Floyd. Florida still had runners on first and second, but Beck retired the next three batters for his 26th

Mark McGwire used his legs, eather than his bat, to win a game for the Cardinals.

McGwire scored from second base on John Mabry's two-out single in the bottom of the ninth, barely beating Charles Johnson's diving

McGwire, leading the ma- sacrifice fly in the eighth injors with 42 home runs, drew a one-out walk in the ninth from Scott Radinsky, and Ron Gant was then hit by a pitch with two outs. Mabry followed by slicing a single to left field, and McGwire

was running all the way. Trenidad Hubbard's throw from left beat McGwire but was a few feet up the first-

BASTBALL ROUNDUP. base line. McGwire managed

to get his foot on the plate barely before the lunging Johnson reached him. Phillies 7, Mets 6 Mark

Leiter managed to get a victory at Shea Stadium, a day after his brother, Al, pitched New York past Philadelphia. Leiter walked four batters in the ninth to allow New

York to tie the game at 6. But be struck out Mike Piazza with runners on first and third to end the game in the 10th. Attres 4, Giants 3 San

Francisco ended a dreadful 1-8 road trip with a loss in 12 innings in Houston. Houston completed a three-game sweep and held its five-game lead over the Cubs in the NL

Derek Bell singled home the winning run with one out in the bottom of the 12th against the Giants' closer, Robb Nen.

Padres 7, Reds 6 Greg Vaughn hit his fourth home run of the three-game series for San Diego, and Tony Gwynn had a tiebreaking

ning at Cincinnati.
The Padres increased their

lead in the NL West to 11 games over San Francisco. Braves 11, Browers 6 Tony

Graffanino and Curtis Pride homered as Atlanta opened a 141/2-game lead in the NL East. The Braves scored in each of the first six innings. Milwaukee lost for the seventh time in its last eight road

Womack got three hits and stole his league-leading 36th base as Pittsburgh won at Montreal

The Pirates stole a seasonhigh five bases, with Jason Kendall stealing bome oo the back end of a double steal.

4 Travis Lee hit a triple and a run-scoring single and Ari-zona matched its longest winning streak of the season at four games. In the American League:

ingers 7, Davil Rays 4 Juan Gonzalez homered and drove in two runs, increasing major league-leading total to 105 runs batted in as Texas completed a threegame sweep of visiting Tampa Bay.

Gonzalez hit his 27th homer in the second inning Sunday night. He added a run-scoring grounder in the Rangers' five-run fifth. Gonzalez has four RBIs in

the last two games after go-ing a season-high nine games without driving in a run.
Will Clark hit a two-run homer and Rusty Greer added a two-run double for the

Rangers, who handed the Devil Rays their 15th loss in 17 games. Orioles 7, Angels 4 Troy Percival walked four Baltimore batters in the ninth inning to force home the goahead run at Anaheim. Eric

10th time in 11 games. Percival walked Jeff Reboulet to start the ninth. With two outs, he walked three straight batters to make it 5-4,

have been 24 tournaments.

Australia and Canada.

This World Series Is for Real

The Associated Press

ROME - In its way, the Baseball World Cham-

pionships is a true World Series, with 16 teams from six

continents playing 68 games in 11 cities across Italy over

host Italy faces China, a first-time entrant.

The tournament starts Tuesday night to Florence when

Cuba is the favorite, having won every one of the 21

The Cubans are joined in Group A by Italy, China,

olic; the United States is in Group B along with the

Although professionals are being allowed for the first

Japon, Panama, South Africa and the Dominican Re-

Netherlands, South Korea, Russia, Nicaragua, Taiwan,

time, no major leaguers are taking part. Donald Fehr, head of the Major League Baseball players' union, will attend the haly-China opener, as will the president of the International

Olympic Committee, Juan Antonio Samaranch.

tournaments the team has entered since 1952. In all, there

Davis hit two home runs for

with a single that scored two TUDS.

Chicago, Mike Sirotka pitched a four-hitter and slamping Frank Thomas hit a three-run homer. Sirotka beat the Indians for the third time this season.

Thomas, having his worst year since breaking into the majors in 1990, was in a 1for-16 skid when be lifted a pitch from Dave Burba over the fence in right-center for his 16th homer.

Royals 4, Mariners 1 Tim Belcher pitched seven strong innings in Seaule as Kansas City ended the Mariners' sixgame winning streak.

The Mariners had rapped out 36 hits in beating Kansas City by scores of 18-5 and 8-5 the previous two days, but they managed only four hits off Belcher.

Seattle lost its No. 1 catch-Dan Wilson, wbo sprained his left ankle chasing a passed ball in the third inning. Wilson is expected to be sidelined for three to six

Athletics 5, Twins 2 In Oakland, Matt Stairs hit two homeruns and Kenny Rogers

won his 10th game. Stairs hit his 13th and 14th homers, going 2-for-4 to improve his average to .332, second in the American

Rogers (10-3) gave up seven hits and allowed only one earned run in his third complete game.

In games reported in late editions Monday:

Blue Jays 9, Yankees 3 Jose Canseco homered twice, including a grand slam, and Carlos Delgado hit a ball into the fifth deck in the Skydome as Toronto routed the visiting New York Yankees.

Tigers 3, Red Sox 1 In Dethe Orioles, who won for the troit, Damion Easley and Bobby Higginson each drove in a run with a single in the eighth inning to lift Detroit



Marion Jones winning the 100 meters at the Goodwill Games over Merlene Ottey, left, and Zhanna Pintusevich.

Handing the Baton to Marion Jones

At Goodwill Games, She Is Succeeding Joyner-Kersee as No. 1

By Randy Harvey Los Angeles Times Service

NIONDALE, New York -Marion Jones has been remarkable for a long time. As a 10thgrader, she ran the fastest 100-meter time ever by a high school girl.

As an 11th-grader, she earned an invitation to run on a U.S. relay team in the 1992 Summer Olympics in Barcelona, but she declined because she wanted to slow down a little.

Now, it seems everyone has discovered that she is the successor to Jackie Joyner-Kersee as her sport's probably her planet's - greatest female

At the Goodwill Games 100 meters on Sunday night, Jones showed a crowd of 9,136 that she was on pace to be anointed here as the Joyner-Kersee suc-

Jones, 22, would have been anointed sooner if she hadn't, like Joyner-Kersee before her at UCLA, detoured to play college basketball. Jones started at point mard as a freshman in 1994 on the University of North Carolina's NCAA championship team.

Jones could have pursued a career in professional baskerball in one of the two North American professional leagues for women. But, fortunately for a sport like track and field that is constantly oo a star search, she left the sport with a year of eligibility at North Carolina to coocentrate on sprinting and long jump-

That was 15 months ago, but it took only about the first three of them to reestablish herself as a phenomenon. Before the end of last summer, she had run the world's fastest times in the 100 meters and 200 meters, won the world championship in the 100 meters and taken the U.S. long jump title from

Joyner-Kersee. This summer, she became the first woman in 50 years to win the 100 meters, 200 meters and long jump at the U.S. outdoor championships, and she has the world's best eight performances in the 100 meters, the best two in the 200 driffith-Joyner set her amazing world meters and two of the best three in the records in the 100 and 200 meters.

The 100 at the Goodwill Games on Sunday night figured to be as stiff a test as Jones would face this year, even after the two-time Olympic champion Gail Devers withdrew because of a foot in-

In the field were the reigning 200meter world champion, Zhanna Pintusevicb of Ukraine; a former 200-meter world champion, Merlene Oney of Jamaica; a member of the gold-winning U.S. 400-meter relay team in the Atlanta Games, Chryste Gaines, and Jones' immediate predecessor as the U.S. 200meter champion, Inger Miller. It was the first time in history that all eight women in a 100 race bad previously broken 11

Jones' winning time was 10.90, her second slowest in nine races at the distance this year, but still considerably faster than the second-place Pintusevich's 11.09 and more respectable than it looks on paper considering the headwind of 0.8 meters (2.6 feet) per

"It wasn't that bad a race into the wind," Jones said. "Obviously, it wasn't the fastest time in the world compared to some of my past races. 1 wish the time could have been a little

"But when you run against Ottey, Pinmsevich, Gaines and Miller and pull a victory out, you have to be happy with

In fact, Jones did not come to the Goodwill Games seeking great times, or even victories really, but for her coronation. Monday night, she was to run the 200, looking for a sweep in the sprints.

meet Saturday in her current hometown of St. Louis, begins her competition here Tuesday in her last heptathlon.

Jones professes respect for her competitors, but the only sprinter she is 10 years.

chasing is one who hasn't competed in

While it now seems apparent that Jones is capable of surpassing Griffith-Joyner's best of 21.34 seconds in the 200 meters, most within the sport say that the 100-meters record of 10.49 is safe for decades to come.

Jones isn't among them. "What I don't understand is the attitude of the other sprinters," she said this year. "They look at Flo-Jo's record and say, 'We can never do that, we can never reach it. 'In my opinion, that's the reason the women's sprints have made no progress in the last 10 years. The way 1 see that, if you put records out of reach, you'll never beat them.

"I'm lucky to be born with this body and this mentality. So many athletes have one or the other. I think I've got the talent, and I know I've got the goals.

"I want to go down in history as the fastest woman who's ever been on Earth. So is it better for me to set my goal at 10.76 or 10.4E? That's moti-

Trevor Graham, a Jamaican Olympi an who coaches Jones in Raleigh, North Carolina, said he believes she eventually will own world records in the 100 meters, 200 meters and long jump but will be satisfied in these still early stages of her development if she breaks 10.70 in the 100 meters.

She ran 10.71 in May, the fifth-fastest time ever behind Griffith-Joyner's four

Jones would not go to Barcelona in 1992 to run a relay, but she gladly will accept the baton from Joyner-Kersee.

"It's very special for me to be here."

Jones said. "In my heart, she's still the greatest female athlete who ever lived. Joyner-Kersee, who is retiring after a If 1 can achieve a quarter as much as she's achieved. I'll be a very happy

But asked about winning four gold medals at the 2000 Summer Olympics in Sydney, she was quick to correct the

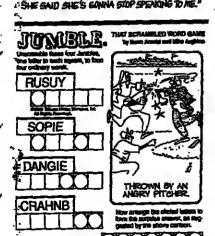
"Five," she said, counting her three It has been that long since Florence individual events and both relays.

The Giants' Bill Mueller sliding safely into second as

the Astros' Craig Biggio reaches to grab a high throw.



"Do you think Margaret is trying to be ince "She said she's conna stop speaking to me."



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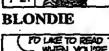






















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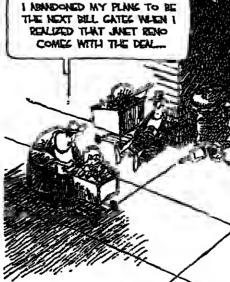












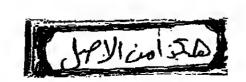


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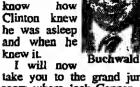
ART BUCHWALD

The Night Watchman

was safe to go into the water, ing her. the special prosecutor bites

your leg off. The latest leak by CBS News is that Ken Starr intends to question Secret Service

people on Clinton's sleeping habits in the White House. Start wants to know Clinton knew he was asleep and when he



take you to the grand jury room where Jack Conner, a questioned.
"Mr. Conner, where are

you stationed in the White House?" "Under Mr. Clinton's

bed. "All night?" "Yes, until he gets up in the morning. My job is to see that nothing happens to the

president when he has his eyes closed."
"Do you also watch Hillary

Diana's Silver Car For Sale on the Net

The Associated Press LONDON -- The small, silver car given to Diana, Princess of Wales, by Prince Charles as an engagement present is for sale via the Internet, and the owner says he has turned down an offer of

more than \$1 million, Keith Lawson, an antique clock dealer from Scratby, crime or a misdemeanor England, bought the 1981 while walking in his sleep, Ford Escort Ghia three years would you report it to the speago for £6,000. But the car's cial prosecutor?' value has rocketed, and he can no longer insure it.

WASHINGTON — The Clinton when she is in bed?"
Starr Chamber contin- "No, a Secret Service "No. a Secret Service ues. Just when you thought it woman is assigned to watch-

> And this agent is also under the bed?" "Yes. It sounds a bit

crowded, hut that's what we're paid for."

"Does the president talk in his sleep? 'He does sometimes. He says things out loud such as. Loog live the people of China in the Year of the Rat and Republicans suck eggs.

'Has he ever talked about Monica Lewinsky? "I don't believe that name

has ever come up on my watch. "Did Mrs. Clinton ever

Secret Service man, is being bring it up?"
questioned. bring it up?"
"You'll have to ask her Secret Service woman.

> "Does the president sleep in pajamas or without sleepwear of any kind?"

"Why do I have to answer Because we have to get to the bottom of Whitewater,

and we'll never be able to do it unless we find out what Clinton wears at night.

"He sleeps in pajamas."
"Don't you find this 'When you're a Secret

Service persoo nothing is weird anymore." Mr. Conner, does the president ever walk in his

sleep?"
Not to my knowledge. "Well, this is hypothetical; Suppose he did. What would you do?'

"I would follow him." "If he committed a high while walking in his sleep,

That's what we're paid

Rap With Good Taste, Beastie-Boy Flavored

By Neil Strauss New York Times Service

TEW YORK — There is a term in hip-hop, flavor. It is a good thing. Rappers want to have flavor. panache, style, something extra that enables them to stand out from the pack.

In their 17 years together, however, the Beastie Boys have developed something much better than flavor: taste. This is not a hiphop term. It is the key to survival in

the mercurial world of pop.

Musicians like David Bowie,
Peter Gabriel and David Byrnehave good taste; as most of their col-leagues have fossilized, it has enabled them to remain relevant, even after their hit-making days ended. The Beastie Boys are listeners as

much as they are musicians, so any music they make is going to be interesting. This has enabled them to survive commercially while every rap act from their era has fallen by the wayside.

That is, if one could still consider the Beastie Boys rap, because they've hlown what little currency they did have in the hip-bop world by following their broader instincts

instead of the rap mainstream. The band's previous two albums were a collection of hard-core punk sones and an album of lighter instrumental music; its new record jams 22 tracks with eight singers

into 68 minutes. This is oot the output of a group that sets out to make the perfect pop record like "Pet Sounds," "Sgt. Pepper" or even "It Takes a Nation of Millions" (the rap classic by Public Enemy). This is the work of hand the state of the state a band that aims to show how much

"Hello Nasty" jumps from rap also include Beck, the Dust Broth-to easy listening to Latin to noise to ers, Stereolab and Comelius) are sool to opera to rock without pausing for breath. As the band boasts in a fan is part of their art. Intergalactic," "I'm so versat-

The Beastie Boys are emblematic of a new breed of artists who observers and emulators of rap culare also able to listen to current rap have emerged over the past decade, ture, privileged white boys looking and rock and sipbon off the ele-



From left, Adam Yauch, Adam Horovitz and Mike Diamond are listeners as well as musicians.

as if they were all equivalent colors in the sonic palette, collector-mu-sicians weld different sounds together with commitment and bias.

Their songs are more tributes than statements. For example, the eccentric dob-reggae pioneer Lee voice like an audio autograph. It's not that collector-musicians (they fans more than artists. It's that being

From their first full hip-hop al-burn, "Licensed to Ill" in 1986, the Beastie Boys set themselves up as the collector-musicians. Where in from the outside, as they did as ments that make them interesting,

postmodern musicians slap different styles together noncommittally, as if they were all equivalent colors the record, running around Manhattan cluhs where punk, new wave album, both tricks borrowed

and rap were mingling. Since then, the Beastie Boys have transformed themselves from a band to an enterprise. Like Gabriel's Real World label or Byrne's Luaka Bop, the Beastie Boys developed Grand Royal, a record label and a magazine (plus a clothing company called X-Large) predicated on the notion that the Beastle Boys have good taste.

Another key to their survival is

their ability to spot talented mu-sicians and use them on their albums, whether it's the Dust Brothers' producing "Paul's Bontique" nine years ago or the cootributions from the turntablist Mixmaster Mike and the keyboardist Money Mark on "Hello Nasty."

As music buffs, the Beastie Boys most popular music has been their

PEOPLE

from the Wo-Tang producer known as RZA.

'Hello Nasty' sounds like a night with disk jockey who has a short attention span: Samples of everything from Stravinsky to Tito Puente to earlier Beasties alhums abound. Hip-hop beats are mixed into Latin music. Songs skid to a halt as the sound of a needle scratching across a record inter-rupts. All kinds of turntable tricks - sirens, horns, electronic gurgles and sound effects - are mixed on top of the busy songs, as the band raps lines like, "Remote control, change the station."

It is the curse of the collectormusician: knowing too much and

wanting to do it all. The most often cited dilemma for the Beastie Boys is that their

goofiest - tongue-in-cheek frat anthems like "Fight for Your Right (to Party!)" and "Girls." They may be too smart to fail these days. but they are also too smart to be a phenomenon again.

Though some place the Beastie Boys in the genre of alternative rock, they behave more like a classic-rock band, especially since the personalities of the three members have been diverging.

Though they tend to rap in unison, it's easy to pick out the three in-tertwined aesthetics at work. Lines like "Share your love with a friend" come from the member who has discovered spirituality, the aspiring Tibetan Buddhist Adam Yauch.

Phrases like "money makin" come from the member making the shift into the executive world. Mike Diamond.

And the phrase "Dogs love me cause I'm crazy sniffable" probably comes from the band's secret weapon, the clown and collector Adam Horovitz. Silly-smart lines like the Run-D.M.C. parody "I'm the king of Boggle, there is none higher/I get 11 points off the word quagmire," best fuse all their personalities.

On "Hello Nasty," there is probably something for everyone, but there is probably no one whom everything is for. Popular music is moving past the time when combining two genres is going to create something new. It is more the expositioo of a distinct personal taste that is going to result in a new

In other words, something unusual is less likely to arise from a combination of hip-hop and Celtic music (that's flavor) then it is from someone mixing the sound of the Wu-Tang Clan and the Chieftains, along with a few other favorites from a treasured record collection, like, say, Celia Cruz, Willie Nelson and a cocktail-music compilation on Rhino records (this is taste). Flavor fades, but taste is a life-time trait. And "Hello Nasty" is a

testament to good taste, even if at times it does lack flavor.



OPEN AIR - Sinead O'Connor singing at an outdoor concert in Bern.

THE teenage sons of Prince Charles were said to he upset and their father sad after the boys' plans to surprise Charles with a 50th birthday party were torpedoed by a British oewspaper. A spokesman for Prince Charles said that the birthday party would go ahead anyway, but that Princes William and Harry were "terribly disappointed" the surprise had leaked out and landed in national headlines. The Sunday Mirror sald William, 16, and Harry, 13, would star in a comedy play at the party for Charles, alongside the actors Emma Thompson and Stephen Fry, who wrote the script. William and Harry had worked very hard to try to pull it off," the royal spokesman said. The spokesman declined to give any details of the party, saying only that it would be held before the family went on vacatioo in August. Charles's 50th hirthday is oot until Nov. 14, but presumably the party

Former President George Busb of the U.S. trade representative, Char-

was planned for earlier as part of the

intended surprise.

came to relax in the land of the original white houses: gleaming island villages overlooking the Aegean Sea. Bush, the retired general Colin Powell and their families are guests of the Greek billiooaire Yiannis Latsis aboard his yacht. The Bushes are close friends of the 87-year-old shipping magnate and often visit Greece as his guests. Shortly after Latsis bids good-bye to Bush and Powell he is expected to host some more famous vacationers: Prince Durbin's press secretary said. Charles and his two sons, Princes William and Harry.

The Beijing 40 huddle together on their tiny death row at Dulles International Airport near Washington, unaware of high-level negotiations that came tantalizingly close to securing their release. Moved by the plight of innocent Beanie Babies, Senator Dick Durbin, Democrat of Illinois, joined the cause late last week and pleaded for a stay of execution for the 40 doomed toys. They traveled to

lene Barshefsky, who bought them in China for her daughters. Her action violated import restrictions on the wildly popular collectibles — Ty Corp. makes them in China hut does not permit their sale there. So Barshefsky turned the hapless Beanies over to U.S. Customs officials, who promptly threw the stuffed toys in their lockup. Ty is determined to execute the Beijing 40 because of "questions of their Beanicalogical descent,"

James Lovell, the Apollo 13 commander whose book on the doomed space flight formed the basis for the film starring Tom Hanks, was inducted into the National Aviation Hall of Fame in Dayton, Ohio. Lovell, 70, completed four missions as an astronaut, including the first orbit of the moon aboard Apollo 8 and the perilous Apollo 13 moon shot. The flight was aborted because of a malfunction, but the crew returned safely.

Paula Jones's profile is dwindling.

The woman who sued President Bill Clinton for sexual harassment under went rhinoplasty in Manhattan, the New York Post and the Daily News reported. Jones and her husband, Stephen, were seen leaving the offices of the plastic surgeon Thomas Loeb. The new nose is the latest incarnation for Jones, 31, who appeared with a new hairstyle and wardrobe on Jan. 17, at Clinton's deposition in her lawsuit, which was dismissed. It's unclear who paid for the nose job by Loeb, which can cost up to \$9,000.

A Swedish politician apologized to the film director Inguar Bergman for an incident involving allegations of tax eva-sion more than 20 years ago. "We carried out a policy which made certain people feel singled out and persecuted." Sten Andersson, a member of the governing Social Democrats, told Expressen newspaper. Bergman said in an interview aired on his 80th birthday July 14 that he was deeply scarred by his arrest in 1976. No charges were brought against him, but his humiliation led to a nervous breakdown.



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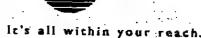




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